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Dan Jansen on his way to a world record and his first Olympic gold medal at the speed-skating rink in Hamar, Norway, on Friday.

## Best for Last: Dan Jansen Wins Gold

Washington Prof Service HAMAR, Nerway — Souths is what Dan Jansen looks like happy. Arms outstretched, squeezed shot, the applause washing down over him, cleansing him, as he looked up in wonder at the scoreboard knowing he'd just. set a world record and won the Olympic gold medal and, as he said later, "finally had the happy ending we've been writing for."

"I wanted to cry, I wanted to laugh, I said,

And an hour later. And a whirlwind two hoors later, after he ad done his first round of postrace interviews with red lipstick on his check, leaped atop the medal podium and fingered his gold medal for Friday's Olyupic 1,000-meter vietory, and after he'd cried through the playing of the American national anthem while thinking back to "all the training," all the years, all that's happened", after he'd skated the Lap of Honor, with the areas lights dimmed and a spotlight trailing him while the crowd sang along to "The Skaters' Waltz," which is played in Scandinavia even in the ever people go to skate.

Jansen made the lap with a tiny U.S. flag in one hand and his infant daughter, Jane, in the other. After he had been at the postrace press conference for a while, a Norwegian Olympic

See GOLD, Page 23

#### Germans Hand Russia **Another Hockey Shock**

Russia's fading bockey dynasty took another Olympic pounding on Friday, suffering a stunning 4-2 loss to Germany just four days after being shocked by Finland in a 5-0 rout.

Germany (3-1) clinched a playoff berth, which Russia (2-2) had done by beating Austria on Wednesday. But Russia's place in Pool A after the fivegame preliminary round determines its quarterfinal opponent from Pool; B. Russia is tied for third in its pool with the Czech Republic, which has played one less game. If Russia finishes fourth

OLYMPIC OF PODIUM it would meet the first-place team from the other pool. Canada and Sweden currently share that spot.

Russia's Olympic predecessors, the Soviet Union and Unified Team, won eight of the last 10 Olympic gold medals. They had a 60-6-2 record and just one loss by more than a goal. And the only time either had lost more than one game in an Olympics was when the Soviets went 4-2-1 and finished third in 1960. Germany's only hockey medals were bronzes in 1932 and 1976.

But on Friday, the Russians could not overcome the superb goaltending of Klans Merk or Bernhard Truntschka's two first-period goals in a span of 3:12.

#### **Italy Stages Luge Upset**

Kurt Brugger and Wilfried Huber of Italy staged a major surprise in the Olympic doubles fuge, becoming the first non-German pair to win the twoscater event outright since 1964.

"We had a stupendous second run. and with that we won the medal." Huber said. "We didn't think we would make it to the gold medal."

The Italian due of Hansjoerg Raffi and Huber's brother, Norbert, took the silver, with the German favorites, Stefan Krausse and Jan Behrendt, finishing

Olympic report: Pages 21, 22 and 23

## NATO Repeats Ultimatum As Serbs Continue to Pull Guns Away From Sarajevo

SARAJEVO, Bosnia-Herzegovina - The threat of allied air strikes appeared to recede Friday as United Nations officials said they were optimistic that Bosnian Serbian forces would withdraw their heavy weapons from around Sarajevo before the Sunday night expiration of NATO's ultimatum.

Snow-clogged roads slowed the movement of weapons from hills around the city. But the Bosnian Serbian leader. Radovan Karadzic. promised that his forces would remove their big guns or place them under UN control by midnight Saturday, 24 hours before the deadline set by the North Atlantic Treaty Organization. "We intend to do that." Mr. Karadzic said

after meeting with the head of the UN Protection Force, Yasushi Akashi. "That is our declared deadline. We are approaching peace in

Samjevo."

The NATO allies welcomed the news, but they emphasized that the ultimatum still held.

NATO is now involved whether it strikes or not. Allies realfirm determination to enforce oltimatum if Serbs don't comply. Page 5.

The United States warned that there would be no extension of the deadline and that preparations continued for possible air strikes from NATO bases in Italy and aircraft carriers in the

Russia's senior negotiator on the former Yugoslavia, buoyed by his apparent diplomatic success with the Serbs, warned NATO to set aside its ultimatum and said air strikes would lead to "all-out war" in Bosnia.

The negotiator, Vitali I. Churkin, also said he was confident that the Serbs would comply

with their pledge to pull back.

"In some political statements, I see a desire to refer to the NATO ultimatum and the repetition of certain threats made some time ago," Mr. Churkin said in Moscow after his return

from Bosnia. "Let me speak very frankly." he said. "I know there are some people in NATO who are advocating the strategy 'strike and negotiate.' In Bosnia-Herzegovina there can be no such thing as strike and negotiate. You can have

either negotiations or an all-out war. NATO, however, insisted that its ultimatum Serbs was verified.

"If Russian pressure will help, we welcome that," a NATO spokesman said in Brussels. "But there should no misunderstanding: Any initiative will be assessed by its result."

The United Nations modified its upbeat assessment of the scale of the Serbian withdrawal on Friday but said the pullback was continuing. "Over the last 24 hours we have seen a significant rate of increase in the number of withdrawals, but the description of them as convoys was misleading," said Colonel William Aikman, the UN military spokesman in Sarajevo. He was referring to his comment Thursday that the Serbs were pulling back in convoys

from their siege positions.

Pushed to clarify the issue of the pace of withdrawal on the Serb side, Colonel Aikman said: "We're talking about a capability declining steadily. We are told that heavy arms and

equipment are being moved."

He said that despite the revision of Thursday's estimate, the UN peacekeepers were still optimistic that both parties could meet their self-imposed deadline of midnight on Saturday.

An Associated Press reporter traveling between Pale and Lukavica, a likely route for a major pullout, saw four Bosnian Serbian trucks - three of them towing artillery pieces -

heading away from Sarajevo.
NATO reconnaissance aircraft patrolling Bosnia are capable of detecting the presence of many heavy weapons, but a White House spokeswoman said in Washington that allied aircraft had not confirmed the withdrawal be-

cause of foggy conditions.
On Thursday, Mr. Churkin, after a meeting with the Bosnian Serbs, pledged that Russian peacekeepers would be sent to Sarajevo if the Serbs pulled back their guns. Mr. Churkin said Russia would commit more

troops in the future for deployment elsewhere in Bosnia.

In a message Friday to the UN secretarygeneral, Butros Butros Ghali, President Boris N. Yelisin of Russia requested permission to shift 400 Russian peacekeepers in Croatia to Sarajevo, the Russian press agency ltar-Tass reported from New York.

Russia's UN ambassador, Yuli M. Voront-sov, said Friday that the peacekeepers could be in Sarajevo within two days, the agency report-

In Athens, Russia's foreign minister, Andrei V. Kozyrev, said Russia could also send troops See NATO, Page 5

## Yeltsin's Diplomatic Coup If Siege Is Lifted, He'll Share Credit

By Celestine Bohlen New York Times Service

MOSCOW - In winning a pledge from the Bosnian Serbs to withdraw their heavy artillery from the outskirts of Sarajevo, President Boris N. Yeltsin of Russia has scored a badly needed diplomatic triumph, one that is likely to work for him at home as well as

The Serbs' commitment, like previous developments that have stirred hope in the brutal two-year Bosnian war, is necessarily tenuous, depending as it does on the compliance of warring parties that have so far found no good reason to lay down their

But if it sticks and the Serbian guns pull back, if only for a few weeks or months, Mr. Yeltsin's government will have avoided an immediate problem that could have either damaged its relations with the West or left it with a domestic political disaster.

The air strikes that the North Atlantic Treaty Organization has threatened against Serbian targets if the guns are not removed would have left Moscow with two unpalatable choices; Condemn the attack and risk international isolation, or face the wrath of Russian nationalists who bave adopted the Serbs' cause as their own.

In the week since NATO issued its ultimasum for the lifting of the siege of Sarajevo, Russian diplomats, and Mr. Yeltsin himself, managed to add more drama to the crisis by insisting loudly, even petulantly, that Russia would not be left out of any solution to the Balkan crisis.

Their complaints, made even after Wash ington and other European capitals took pains to consult with Moscow on NATO's decision, only served to underscore the Kremlin's unenviable position.

For Mr. Yeltsin's government, a diplo-matie solution simply had to be found before the NATO ultimatum expired Sunday.

"Our aim is to make sure that the ultimaturn is never carried out, that the air strikes

#### **NEWS ANALYSIS**

never take place," Deputy Foreign Minister Sergei Lavrov told the lower house of the Russian parliament Thursday.

Now, with the agreements reached in Pale, the political headquarters of the Bosnian Serbs, Russia may have found a way out of the immediate crisis, not only for fiself, but also for the Serbs and the West.

Russia's intervention — in particular the offer to send 800 proops to Sarajevo to join United Nations peacekeeping forces gives the Serbs a face-saving way to explain their compliance with the NATO ultimatum, while the Serbs' pledge, if kept, relieves the West of carrying out its threat to bomb artillery positions around Saraievo. Now it is Russia's turn to gloat, and to

See KREMLIN, Page 5

## Industrial Collapse Looms As Russia Grinds to a Halt

By Margaret Shapiro Washington Post Service

MOSCOW - At the once-vaunted Zil factory, whose boxy limousines have been the choice of Soviet rulers for decades, half the employees were recently put on unpaid leave. In the oil fields of Siberia, lack of funds has forced 15,000 workers onto drastically reduced work schedules. In Russia's textile capital, so few cloth factories are now open that local officials want the entire region declared an "economic catastrophe" zone.

Across the frigid expanse of Russia, a longanticipated industrial collapse is finally arriving. From vodka distilleries to rocket factories and tractor assembly plants, production lines are grinding to a halt, and every day brings news of yet another collection of workers sent on leave without pay.

The shutdowns are important because the fate of state-owned industries - in particular, what to do with factories too inefficient to survive outside a socialist economy — is at the heart of the struggle over reform in Russia.

Supporters of the program of "shock therapy" pursued until late last year by the government of President Boris N. Yeltsin tried to curtail state subsidies to factories so that they would be forced to adjust to the demands of the marketplace or shut down.

But conservative rivals ensured that many subsidies continued — a setback the reformers blamed for the country's high inflation and the failure of a free market to take hold. Now that most reformers have been ousted from Mr. Yelisin's government, a more conservative cabinet under Prime Minister Viktor S. Chernomyrdin is promising that state support for industry will be stepped up. Still, there is growing evidence that an up-

heaval in industry is happening, after all: Because of inflation, falling demand for goods and a drop in state purchases, many big industries have been starved for funds. Some are being forced toward the capitalist-style restructuring measures sought by reformers, such as

See RUSSIA, Page 4



A Muscovite carrying a supply of imported candy Friday. Vendors have been stocking up since taxes were raised on imported liquor, fearing a rise was imminent on other imports.

## Tension Easing, Seoul Rethinks Missiles

By Steven Greenhouse New York Times Service.

WASHINGTON - The South Korean foreign minister says that his country is reconsidering whether it still wants the United States to send it Patriot missiles now that tensions have abated as a result of North Korea's decision to allow inspections of nuclear installations. Foreign Minister Han Sung Joo said in an

interview that Seoul would have to weigh the military benefits of having such anti-missile batteries against the diplomatic risk of upset-General Gary E. Luck, the senior U.S. com-

mander in Korea, had requested the Patriot missiles, and the Pentagon had agreed to send them, but Mr. Han's comments seemed to cast uncertainty on the delivery of the missiles.

"I can't say now how our diplomatic needs will compare with the military needs," said Mr. Han, in Washington to meet with U.S. officials and attend an economics conference. "We don't know what the result of the inspections

North Kores, after months of blocking inspections, agreed Tuesday to allow the Interna-tional Atomic Energy Agency to inspect seven sites to determine whether Pyongyang had im-properly diverted nuclear material to a suspected atomic weapons program.

The United States, with South Korea's backing, has threatened to ask the United Nations to impose economic sanctions on North Korea if the atomic agency finds that North Korea has diverted atomic material. North Korean officials say sanctions would be viewed as an act of

Administration officials said that the Pentagon continues to favor shipping the missiles to South Korea, but that the State Department is hesitating, now that North Korea has indicated that it wants to improve relations.

The White House, after being severely criti-cized for not sending additional tanks to Soma-lia as requested by a U.S. commander there, is said to be loath to reject a request by another

In Thursday's interview, Mr. Han sought to reassure North Korea in the event that the Patriots were delivered. The Patriots are basi-See KOREA, Page 4

### Klosk

## U.S. Troops Shoot 2 Somali Gunmen



He looks more like the rugby player he once thought he might become than the world's hortest new bass baritone that he now arguably is. A profile of Bryn Tericl, the rising Welsh opera singer. On Monday.

Crossword

MOGADISHU, Somalia (AP) — American soldiera shot two Somali gunmen, apparently killing one, during separate incidents at the main gate to the new port in Mogadishn, a U.S. Army spokesman said

Colonel Steve Rausch said an American sentry fired one round, apparently killing a Somali manning a heavy machine gun in the back of a pickup truck. No Americans were

Thursday night, another American sentry at the port fired a single round at a Somali who aimed a rifle at the checkpoint from the back of a truck. He said the gunman was hit Page 24. in the chest and the pickup sped away.

## Shaken Californians Head for the Exits

New York Times Service LOS ANGELES - Two days after the earthquake, and two decades after he had arrived here from Chicago, Leo Fasciocco, a financial writer, packed up his family and his car and headed for solid ground —

Phoenix Arizona. A week later, Karin Kugel quit her secretarial job and drove cross country, to Tampa, Florida, returning for good 13 years after she had

Last week Larry Levine, a resident of Los Angeles since 1939, gave notice at the drugstore where he is a pharmacist that he would be moving to Las Vegas—four years ahead of schedule.

Stefan Becker, 25, boarded a train Sunday morning, heading home, back to winter, and Boston. He had been an international development

coordinator for a cable television entertainment network. He left with his earthquake survival kit — just in case — anti no job.

"I was brought up in New England," he said at his farewell party at Café Figaro in West Hollywood, "You stick things ont. You never leave a job without another job. The earthquake just shattered all that.

Suddenly, I felt freed of Los Angeles. For me, personally, it's not worth it — pending earthquakes, isolated people, hidden agendas." New York and Los Angeles are still both destinations, cities that people dream of going to. "You get out of school, and what do you do?"
Mr. Becker said. "You go West."

Or East. Both cities are also places that people talk incessantly of leaving - and, eventually, many do get out. In the last few years, with the riots, rising crime, a series of natural disasters and, most significant-

ly, the persistent recession, the exit from Los Angeles has been building. Last year, an estimated 426,000 Americans moved out of Los Angeles County, and 256,000 moved in — for a net population loss of 170,000, according to the California Department of Motor Vehicles. The state population growth rate was at 1.4 percent — the lowest in 21 years with Southern California showing the slowest growth rate in the state, at 1.2 percent, according to the state government.

No one, though, is suggesting that Los Angeles is going to lose its vibrancy; in fact, foreign immigration continues its rapid pace, and to

See L.A., Page 4

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## U.S. Seeks Approach to Burma on Rights

lean more toward isolation."

Human rights groups, the Clin-

producers and money launderers

responsible for most of the heroin

entering the United States. Under

current U.S. law, Burma's narcotics

record requires that Washington

vote against any loans to Rangoon

by the World Bank or other inter-

Some members of Congress, led

by Senator Daniel P. Moynihan,

Democrat of New York, want to go

further. Mr. Moynihan and 19 other senators from both parties told

Mr. Clinton in October that "nothing less than a change in govern-ment" would lead to an end to

national lending agencies.

By Thomas W. Lippman

WASHINGTON - Seven months after President Bill Clinton ordered an interagency review of U.S. policy toward the pariah government in Burma, his foreign policy advisers are still looking for ways to increase pressure on Rangoon to improve its human rights

The challenge they face, according to administration officials, is to muster more international efforts to isolate the Burmese junta over human rights issues without undermining parallel efforts to persuade the military rulers to crack down on heroin trafficking.

Mr. Clinton openly has supported Burma's most prominent political dissident, Daw Aung San Suu Kyi, but several members of Congress have been agitating for a more decisive confrontation with the Rangoon government.

The policy review has been pro-anged, an administration official longed, an administration of said, because several agencies involved have differed over tactics. But the official said those in Convering are wrong.

"There is no sentiment in the upper reaches of the foreign policy leadership that we should be backing off on Burma," another official said. "The issue is, are there ways we can be better engaged in the the junta has one of the most dis-effort to support human rights and mal human rights records of any

The junta's decision to allow a U.S. congressional visit to Daw Aung San Suu Kyi this week apparently was intended to influence the administration policy review and a forthcoming United Nations human rights report, according to U.S. officials and other analysts.

"This could be a hopeful sign," an administration official said, adding that the government was "somewhat encouraged" that one prominent Burmese official has said a political dialogue with Daw Aung San Suu Kyi might be possi-

rights violations, narcotics trafficking, political repression and the human rights abuses and a reduc-largest outflow of refugees in Asia, tion in the flow of drugs.

Given Burma's record of human

gress and in human rights groups "we have a classic debate," a senior who think the administration is we official said. "Do you engage and In what diplomats described as In what diplomats described as a hope to influence? Right now, we

significant step toward freedom for Daw Aung San Suu Kyi, Burmese government-controlled newspapers ton administration and Yozo Yoran a transcript of remarks Friday kota, the UN special monitor on in which the imprisoned opposition human rights in Burma, agree that leader and Nobel Peace Prize laureare was praised as "a woman of passion and commitment" who stands for the best ideals of democracy." The New York Times Washington also accuses the junta of open cooperation with opium

reported from Bangkok. Diplomats said it was the first time since 1989, when she was placed under house arrest, that words of praise for Daw Aung San Suu Kyi had appeared in an official government publication.

The remarks were made on Wednesday by Representative Bill Richardson, Democrat of New Mexico, who led a delegation of the first nonlamily foreign visitors to see Daw Aung San Suu Kyi since her detention. The text of his remarks praising the 48-year-old leader was published in the Burmese and English language editions of The New Light of Myanmar, the principal government newspaper.



BACK TO CHINA — The wife of Lin Wengiang, a Chinese asylum seeker who trijacked a China Southwest Airlines Boeing 737 to Taiwan, being dragged back aboard the plane Friday. She and her two sons and mother-in-law were returned to China, but Mr. Lin was detained by the Taipel authorities.

## Longtime Tensions Keep India Lagging

By Edward A. Gargan

New York Times Service
PAWNA, India — A shredded surip of asphalt winds toward this village, passing through mile after mile of wheat and rice fields. Along the road men and women bear unruly bundles of wheat stalks on their heads. An occasional battered bus shudders down the narrow track, a sporadic link with the outside world.

Along one edge of Pawna, where the houses are made of concrete and some have pillared porches, live the higher castes - the Thakurs,

Nearby, in adobe huts and small concrete houses, are clusters of a backward or disadvan-taged caste known as the Mahto, and segregated in little pockets of worn mud huts and a scattering of rough brick hovels are the untouchables, whose very touch some Hindus regard as polluting. They are among India's poorest and most despised.

More than 70 percent of India's people live in villages, where their habits, customs and traditions have changed little over the centuries even as economic and political forces have changed around them. For two years, the government worked to lift

state ownership and regulations on the economy that critics say led to corruption, inefficiency and stagnation. The resulting growth has mostly benefited the country's educated middle class of about 120 million, especially in Bombuy and Bangalore.

While many Indians are achieving extraordinary levels of prosperity, the fact that so many have been left out has led to political appeals to sectarian prejudice that have weakened India's long claim to secularism.

To counter a wave of secessionist insurgencies. India has resorted to what human rights groups say has been increasing use of torture, imprisonment and even murder by the police

The tensions of caste, religion, corruption, secessionism and a weakening of democratic values collaborate to keep India well behind many of its Asian neighbors with rapidly grow ing economics.

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upper-caste children tend to be educated, while lower-caste and untouchable children are kept from schools. Village disputes over water and land quickly crupt into caste conflict, with caste massacres a persistent feature of rural India.

Some experts a persistent realize of rotal mona.

Some experts a rising tide of caste violence as upper castes ding to their privileges against the claims of lower castes and untouchables. This has led some to conclude that the upper-caste control of land and political power is going to diminish.

Perhaps the strongest force that may be weakening upper-caste control is the economy. India has quickened efforts to dismantle the socialist edifice of state planning and control, opening its economy to outside investment, which has led to glimmers of sustained econom-

ic growth and new jobs, In fact, the process of economic liberaliza-tion cuts both ways. It makes it easier for upper castes to make use of the privileges they have to advance themselves even further. But there is some evidence that the growing

cracks in the economic structure are making it easier for some lower castes to enlarge their From a 1.2 percent growth in its gross domes-product in the 1991-92 fiscal year, India's

economy is now expanding at 4 percent a year, less than its East Asian neighbors, but steady nonetheless, and there is a great distance to go. Fully half of India's 880 million people live in solute poverty, more than half are illiterate, fewer than 10 percent have access to sanitation and of 1,000 children born, 142 die before the

When P. V. Narasimha Rao took over as prime minister two and a half years ago, India's industries, particularly its state-controlled behemoths, were inefficient, produced shoddy products and most were bankrupt. Its farmers were the least productive in Asia. And the country's infrastructure, its power, water and telecommunications grids were inadequate and degenerating further each year.

Mr. Rao chose a nonpolitician, a res economist named Manmohan Singh, to moid

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INTERNATIONAL BAPTIST CHURCH, Wingmuten States 45, Celle 1300 Worship, 1400 Bible Study, Pastor Werl Campbell, Ph.

was to begin resuscitating the economy and to launch India into the global economy, where its share of international trade had shrunk since independence to a mere 0.6 percent.

Mr. Singh loosened some controls, eased rules for foreign investment and devalued the rupee. He talked about shedding thousands of unprofitable and inefficient state industries. but has taken no steps so far to do so.

Trepidation and self-interest have stymed economic reform, but more troubling doubts arise over a struggle for India's identity and its very history. At the core is the tension between Hindus, who make up 85 percent of the popula-tion, and Muslims, who number about 110

The most visible, and violent, confrontation is the secessionist guerrilla war in Kashmir, a war that has reinforced for many Indians, Hindus in particular, a sense of geographic isola-tion in a sea of Islamic countries and has fed anti-Muslim prejudice. A recent report by Amnesty International

said "disappearances" are now systematically practiced by the security forces. And, the report declared. "Government officials have subverted legal proceedings initiated to clarify 'disap-Ravi Nair, the executive director of the South

Asian Human Rights Documentation Center, India's only nonpolitical organization that pub-lishes detailed reports of violations across the region, said that while the extent of abuses was beyond doubt, the larger victim was India's very democracy. The Vale of Kashmir for the last five years

has only seen the veil of mothers, orphans and relatives of people who have disappeared," Mr. Nair said. The democratic edifice, contrary to interna-

tional perceptions, is very weak in India," he are skin deep in all sections of society." Editor's Note: The writer of this article recent-

New Delhi bureau of The New York Times.

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## **Mercenaries or Not:** A Dispute in Israel

By Clyde Haberman New York Times Service

JERUSALEM - It is almost a ritual for young Israelis to travel the world as soon as they complete their compulsory military service. The more exotic the destination, the better. But several dozen new army vet-

crans who signed up recently to train Congolese government troops have raised questions about whether they carried the spirit of adven-

The Defense and Foreign ministries, which approved the Congo sion, say no. These are not mercenaries hiring themselves out as fighters, they say, but instructors and advisers openly hired by a gov-erument that had gained power through democratic elections.

Several members of partiament, however, say Israel should with-hold its official blessing from citizens who go into the military advis-

The lawmakers are supported by parents of some young volunteers, unhappy that their sons, having survived combat duty in the Israeli Army, are now trooping off to a Central African country racked in recent weeks by ethnic violence that has claimed hundreds of lives. Protests by two parliament

members from Meretz, a party in Prime Minister Yitzhak Rabin's coalition, held up the scheduled departure recently of more than 30 young men for Brazzaville, the Congolese capital

But government officials say the delay may be temporary and that the men, some of them veterans of army undercover units in the occunied territories, may soon join twodozen Israelis already in Congo.

The dispute received considerable media attention here in recent days, and even though officials play down the criticism, it touched off a debate on Israel's military Ben-Ami said.

dealings, especially with struggling African countries.

According to some estimates, more than 2,000 Israeli military instructors have worked in Africa over the last three decades, from pilots in Uganda to paratroopers in

In the past, they were sent by the government itself, often in the hope that purchases of Israeli-made inititary equipment would follow. -Lately, this service has been pro-

former generals, their ranks filled by well-trained men fresh out of the army. One such company, Levdan was said by officials to have a \$50 million contract with the Congolese government to train soldiers. Young veterans recruited by Levdan were reportedly offere \$2,500 a month plus expense

which is a lot of money in Israel especially for a 22-year-old not sure where he is headed in civilian life. Nothing was out of line, said Oded Ben-Ami, a spokesman for Mr. Rabin. And since a legitimate

government had done the hiring, he edded, there was no reason to block Levdan. "We will give the Congolese soldiers hasic infantry training, Haim Borro, a company official, told Israeli reporters. "What the Congolese government wants is to turn an old-fashioned Soviet-style

army into a modern, Western army. We are now doing as a private company what the Israeli govern-ment has done for years. We are not mercenaries. Nobody here is fighting. Concerns rose here with reports

that Consolese anti-government forces were looking to recruit their own Israeli instructors, touchin off alarms that Israelis would be fighting each other in a faraway

The reports are "nonsense," Mr.

## WORLD BRIEFS

## **UN Cites Continuing Abuses in Iran**

GENEVA (AP) - Iran continues to rely heavily on a mix of enecations, torture, repression and infimidation to enforce obedience to its Islamic revolutionary ideals, the United Nations said in a report Friday.

The report to the UN Commission on Human Rights said despite. international criticism the high level of executions had apparently continued unchecked. It said that out of a total prison population of about

100,000, about 19,000 were political prisoners.

The report said that at least 35 people had been executed between September and December, and that there was "persistent and widespread to turne and ill-treatment, chiefly to force detainees to confess, make public statements of repentance, or inform on the organizations they belong to "

## Germans Free Accused War Criminal

BERLIN (AP) — One of Germany's last big Nazi war crimes trials ended Friday with freedom for a 90-year-old Latvian who as a police commander in occupied Latvia allegedly ordered the massacre of more After four years on trial for marder, Boleslav Maikovskis was deemed

too stricken with heart disease to endure another court appearance. The former U.S. resident had last been in court in December. He left the United States in 1987 to avoid deportation to the Soviet Union, where he

had been sentenced to death in absentia 22 years earlier.

German authorities arrested him at his Minster home in October 1988 and put him on trial two years later. He was able to avoid extradition to the Soviet Union because Germany will not deport anyone to a country in which they could face the death penalty. Mr. Maikovskis was not in court Friday when an expert medical witness testified that his heart was in such bad shape even the slightest excitement could cause it to stop," a court spokesman said.

### 4 Dresden Rightists Held in Assault

DRESDEN (Reuters) — The police in the state of Saxony in Eastern Germany arrested four rightist youths Friday on suspicion of having kidnapped and attempted to minder a leftist opponent.

The police said the rightists, ages 17 to 21, severely beat their victim, 17, on Feb. 2. The victim had been identified by the attackers as an activist in

the anti-fascist movement.

Leftist groups have been on their guard against attacks by rightist these following the publication by neo-Nazis last year of a list of 250

### Dozens Die at Chinese Train Station

BEIJING (Renters) —A stampede by passengers changing trains at a station in the central Chinese city of Hengyang killed dozens of people traveling after the Chinese New Year holiday, officials said Friday.

Newspapers in Hong Kong said more than 40 people had died. An official at the Hunan provincial foreign affairs office said dozens of people had been killed, but added that the total was likely fewer than 50. China's controlled state media did not carry any reports of the accident, which harmoned Triander.

##\* \ . . . ### . . . .

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which happened Tuesday.

Hengyang hospital workers said the stampede apparently occurred when passengers attempted to change trains. The city is a major transit point on the north-south line linking coastal cities and interior regions.

### Italy Prosecutors Seek Trial for Craxi

MILAN (Renters) — Prosecutors on Friday recommended that 102 persons, including Bettino Cruci, a former prime minister, should stand trial on competion charges in connection with the building of part of Milan's subway system, indicial sources said. A preliminary hearing to determine if there is sufficient evidence for trials was set for April 19. Defendants include three former executives of the industrial group Fiat and a construction executive, Salvatore Ligrean, who has testified that he paid about \$1 million in bribes to politicians for subway contracts between 1987 and 1990.

between 1987 and 1990.

Almost all of the 102 are accused of corruption and illicit party funding in connection with the project, which added a third line to the transport system in the late 1980s. Mr. Craxi, prime minister from 1983 to 1987, dominated the Socialist Party until he was forced to step down as its leader last year because of the investigations.

## For the Record

A Consistant separatist group exploded three bounds on the French limitaland Friday. No one was hart. The bounds hat Meadic in the Louise. at the courthouse, a tax office and another official building. President Leunid M. Kravchok of Ukraine will meet President Bill Clinton during a visit the United States from March 3 to 7. (Resurs)

### TRAVEL UPDATE

### Russia Urged to Revamp Air Control

MOSCOW (AP) - Air safety in Russia is three to four times worse than in Western countries, government experts said Friday. A panel recommended a program to modernize Russia's flight-control system and make it compatible with international standards. make it compatible with international standards.

Since the Soviet collapse, Russia's skies have become increasingly unsafe because of poor plane maintenance, labor unrest and economic

Aeroflot, which had been the largest airline in the world, with 4,000 aircraft, split into scores of smaller carriers. Many ignored safety and let their planes fly overloaded. Izvestia said this month that the average Russian passenger plane is 20 years old. The daily urged the government to start buying Western planes and navigational equipment.

German and American officials signed an agreement for the United States to hand over half its Rhein-Main air base for the civilian use of Frankfurt sinport, officials said Friday. The accord includes shifting U.S. military cargo units to Ramstein to make room for the transfer by the end. of 1997. The base was America's key staging point in Europe for the Gulf War and intervention in Somalia.

KLM will halt flights from southern Holland to Gatwick as of March 27.

Royal Dutch Airlines said it had soffered "increasing losses" on the Manstricht-Eindhoven-London trip in the last four years.

Japan Air Lines said Friday it had applied to the Transportation finistry to introduce discount rates on regular flights from Tokyo to Europe from April through September. The discount fares would be on average 41.1 percent lower than current fares, the company said. (AFP) Serious crime reported in New York City subways fell by 11.2 percent isst year, and has declined by more than one-third since 1990, the transit last year, and has detained by increasing the police, including homicides, police amounced. Felonies reported to the police, including homicides rapes and attempted rapes, robberies, serious assaults, birglaries and grand larcenies, fell to 11,763, from 13,250 in 1992. The figure equals about 32 felonies a day, down from 50 a day in 1990. (NYT)

#### As Crime Goes Europewide, So Do Police LUTHERAN CHURCH of the Redeemer, Oct City, Munistan Rd. English worship Sun. 9 e.m. All are welcome. Tel.: (02) 281-049.

By Marlise Simons New York Times Service THE HAGUE - The transition

to a Western Europe "without bor-ders" in 1993 was hailed as a great boon for traders and travelers, yet barely a year after internal customs controls ended, there are signs that gangsters are also happy with the arrangement.

American Lutheran Church, Entenersol. 15 Worship & Sunday School 10 a.m., Tel.: (02) 44:35.84. Vehicles crisscrossing the 12-nation European Union are no longer AMERICAN CHURCH IN PARIS, Worship checked for illegal drugs, stolen 11:00 a.m. 65, Qua d'Oisay, Paris 7, Bus 63 al door, Metro Alma-Manteau or Invalides. goods, smuggled arms or plutonium. The old restrictions on moving MMANUEL CHUPCH, Worship Christ in Swedish, English, or Korean, 11:00 a.m. Sunday, Birger Jarisg, at Kungstensg. 17, 46/08/ 15 12 25 x 727 for more money within the region have been

A measure of how much member governments are worried that they may have created a field day for the

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Pacific Western University

This week the region's new police agency, Europoi, officially

opened for business. After severa years of talks and 17 months of preparation, about 50 senior police officers and their staff have moved into Europol's discreet red-brick headquarters in The Hagne. The staff is expected to double this summer and reach 300 in two years. in its first phase, the agency will be an intelligence service, collect-

ing and analyzing information to support the work of each country's police force. Later, its strongest backers hope, Europol may conduct its own investigations. "We're starting off with drug

traffic and money laundering," said Jurgen Storbeck, chief of the Europol team. "Those priorities were set by the governments." Criminal groups have expanded their activities throughout the re-

the East with the end of commu-

said, have recently started to pro- to harmonize laws affecting intraduce and run amphetamines. Meanwhile, Enropol faces a formidable task simply to collect and

have disparate levels of development and different legal traditions. Even choosing a language is proving tricky. Most governments agree that the agency should work

in English, rather than tangle with the union's nine official languages. The snag is that France, ever jealous of its language, insists that French become the second official

tongue.

Germany and Spain, which supti
ported the use of English, say now in
that if French is added, then their languages must be included too. Police procedures also vary

underworld is that they have put aside police-force rivalies and are lice are being challenged by Rus- officials have done to create paintening to a new form of integrated law enforcement to confront organized crime.

And increasingly, European po- For all the cobbling European moving to a new form of integrated law enforcement to confront organized crime.

And increasingly, European po- For all the cobbling European moving to a new form of integrated law enforcement to confront organized crime.

And increasingly, European po- For all the cobbling European moving to a new form of integrated law enforcement to confront organized crime. regional crime Britain and Italy, for instance

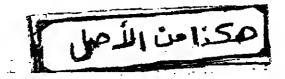
have tough laws against moneydistribute intelligence on behalf of laundering, while this may not be police forces of 12 instions that an offense in the other commission. Privacy laws also vary widely. In Italy, the police can tap telephones and faxes, while Denmark, Germany and the Netherlands forbid elec-On the positive side, some politi-

cians contend, Europol is already equipped to deal efficiently with drugs, crimes against the cavironment or the growing fraud against the European Union's own institutions, because common rules exist. in those areas.

Continue (. ()

different to

German Chancellor Helmut Kohl has taken Europoi under his Police procedures and widely, complicating Europol's wants it to be a ropest pour against task. In Northern Europe, special cy, able to pursue its own investigations. He considers this the best considers this the best considers this the best considers that the best considers the considers that the best considers the considers that the best considers the considers that the best considers the best considers that the best considers that the best considers that the best considers the b wing and has indicated that he wants it to be a robust police agengion, he said, doubly favored by ists say, law-enforcement agents, tions. He considers this the best Western Europe's lowering of bor-make far more use of technical and, way to tackle organized crime-ders and by the frontiers opening to scientific tools to provide evidence: which he has called a "cancer." than they do in France, Spain and spreading through the European Greece.



## THE AMERICAS / MOSCOW AND

#### U.S. Shifts on Race-Based Aid

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WASHINGTON - The Chinton administration announced its long-awaited policy on the use of minority scholarships, reversing the 1991 ruling by the Bush administration that said many of them

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The new policy encourages colleges, some of which had stopped offering these scholarships, to use them to promote diversity on campus and correct historic discrimination.

Recognizing the legal problems surrounding these scholarships, which have been challenged in court, the administration said the financial awards that seek to achieve a diverse student body must be "narrowly tailored." A school may have to show, for instance, that it explored other alternatives to achieve diversity before awarding scholarships on the basis of race.

The policy also states that college aid awarded by race or national origin is legal when authorized by a specific federal statute, such as the Patricia Roberts Harris Fellowship awards for minorities. We want the doors to post-secondary education to remain open for minority students," said Education Secretary Richard W. Riley. "This poli-

But opponents contend that these scholarships unfairly discriminate against white students. They insist that race-specific scholarships violate the 1964 Civil Rights Act, which prohibits discrimination on the basis of race, color or national origin in

cy achieves that goal in a manner that is consistent

federally funded programs... It's really not important what the Department of Education says at all, because the issue will ultimately be decided by the courts, said Richard A. Samp, chief counsel at the Washington Legal Foundation. "My feeling is the trend in the courts in recent years is to strike down virtually all race-

Mr. Samp also represents Daniel Podberesky, a Hispanic student who sued the University of Maryland in 1990 over their scholarships for black Americans, Mr. Podberesky, now a senior, contends that the scholarships violated his civil rights.

Nearly two-thirds of all U.S. colleges offer race-targeted scholarships, but since 1991 their legality has been in himbo. At that time, the Bush administration issued a policy that was viewed as severely restricting colleges from using their own money for minority scholarships. Michael L. Williams, then

head of the Education Department's Office of Civil Rights, set off a national uproar over his interpretation that many of these scholarships

were illegal. Last month, the General Accounting Office found that minority scholarships accounted for 4 percent of all the scholarship money colleges awarded and 10 percent of the money awarded for

law and other professional schools.

Supporters of the schoolsrships use the figure to bolster their argument that these scholarships are vital to he national interest of greater diversity yet they account for a small amount of aid. (WP)

#### Firm Boasts of White House Ties

NEW YORK - A letter sent by Hillary Rodham Chnton's former law firm to a potential client bragged about the law firm's connections with the Clinton administration, according to a copy of the

letter obtained by CBS News. "The Rose Law Firm has developed relation-ships with officials who are now in the Clinton administration and members of the Congress," said the letter to a potential client in the telecommunications field, as quoted by CBS.

It goes on to promise that the client's position

will be presented in a way that "will provide the

best understanding by the decisionmakers.

A lawyer for the Little Rock, Arkansas, law firm told CBS that "there was no suggestion of any impropriety at all." (Reuters)

#### Touch of Pinkeys for President

WASHINGTON - President Bill Clinton says that the puffy, bloodshot condition of his left eye was caused by conjunctivitis, but that his doctors had told him the infection would be cleared up in a few days. . . :

"I have a little conjunctivitis, I'm fine," he said.
"The doctor says it's great," be added. "I just have to take some drops and I'll be all right in four

#### Quote/Unquote

Hugh Rodham, Hillary Chinton's younger brother, recalling the time when they played rocket ship in the family basement: "She would always drive and I would always have to sit in the back."



SYMPATHETIC SMILE — Hillary Rodham Clinton during a visit to the National Institutes of Health, having a chat with a 3-year-old boy who suffers from a hereditary kidney disorder.

## Russians Detail U.S. Pressure on Missing GIs

WASHINGTON — Russian officials complained in November that State Department officials were discouraging them from from state that Vietnam had held more than the acknowledged number of prisoners releasing documents about prisoners of war in Vietnam, according to a classified cable made available by U.S. officials who are angry about President Bill Clinton's decision to lift the trade embargo against Vietnam.

Last spring the discovery of a 1972 document town of a 1972 document town of the discovery of a 1972 document town of the discovery of a 1972 document town of the seemed to indicate that Vietnam had held more than the acknowledged number of prisoners stalled U.S. movement toward lifting the vietnam and Korean wars. The cable was sent under the name of Thomas R. Pickering in the U.S. ambassador to Russia.

The cable points to the divisions in the government on lifting the Vietnam embases and on which with the trade embargo against Vietnam.

According to the cable, the Russians said they were receiving a mixed message from Washington: While many U.S. officials were pressing them to turn over as many documents as possible about soldiers missing in Vietnam, other officials were telling them that releasing such documents would hurt U.S.-Russian relations.

State Department officials vigorously demed that they had told the Russians not to disclose documents and said they had repeatedly pressed Moscow to produce whatever

wanted the fullest possible accounting of the fate of more than 2,200 Americans missing in Indochina.

The officials who provided the document State Department officials were flouring the president's policy in order to avoid embar-rassing disclosures from Soviet archives, ments. which could delay lifting the embargo.

By Douglas Jehl New York Times Service

WASHINGTON - Bill Clinton had some explain-

ing to do.

Ever since he spoke last week of his lond recollec-

lined the track bed with Astroturf, adding with a sly

protested. "I'm guilty of a lot of things, but I didn't sat it."

It was for hauling luggage, Mr. Clinton explained,

early 1970s was the only vehicle he owned. But even as

he feigned shock at how low some minds must have

in accounting for missing Americans.

Some lower-level officials have been frus-

like to turn over information. Mr. Clinton lifted the trade embargo Feb. 3, saying that Hanoi had cooperated in providing a full accounting of the missing Americans

Moscow and Hanoi as hard as they would

The cable, dated Nev. 12. saió a prominent Russian official had said Russian Foreign Ministry officials had beard from un-

haison with U.S. MIA investigators in Moswere concerned that it indicated that some cow, said the Russian Foreign Ministry had heard that State Department officials "were discouraging further releases of such docu-

President Keeps On Truckin'

tions of an El Camino pickup, his audience at a wacky, Mr. Clinton also confessed to Mr. Imus and his Louisiana truck plant and those who watched his rush-hour audience that while he did his best to abide

income unex one with Astronur, adding with a stygin, "You don't want to know why, but I did."

Interviewed by telephone on a New York talk-radio program Thursday morning, Mr. Clinton jokingly tried to put the speculation to rest.

"It wasn't for what everybody thought it was for when I made the comment, I'll tell you that," be president recalled. "And I thought, well, I'm going to

that be had put the carpet of synthetic grass in the back of the small truck-car hybrid, which back in the and I asked them what they thought I ought to have, and they said I ought to try the corned beef on

He Raises Eyebrows With Memories of '70s Pickup

comments replayed on television have been left in by his diet, he sometimes lost control. fittillated confusion. Mr. Chinton confided that be had "I was transported," Mr. Clinton said

The cable was sent by the U.S. bead of the

Told by Don Imus, the host of WFAN's "Imus in

the Morning," that his denial sounded a bit "like saying you didn't inhale," Mr. Clinton replied; "No.

it's just that I didn't inhale in the back of a pickup."

In 23 minutes of banter that mixed earnest with

"I was transported," Mr. Clinton said of the orgy of

"And then I went to this restaurant in downtown

Columbus and talked to those folks about health care,

pumpernickel," the president said. "That's what I did.

They said that's what was good, so I tried it."

eating that he began Tuesday afternoon at a small-

Vietnam and Korean wars. The cable was of what some State Department people said

had repeatedly asked for all information. Task Force Russia sent the cable shortly trated that other officials have not pressed after Winston Lord, assistant secretary of state for East Asia, met with Russian offi-

> Several Americans who used to work on Task Force Russia said the cable showed that some State Department officials were so eager to have the embargo lifted that they would even urge Moscow not to release doc-

uments that put Vietnam in a bad light.

Colonel William LeGro, a former special assistant to the director of Task Force Russia, said: "Some officials were trying to convince the president that the Vietnamese had cooperated 100 percent in resolving the MIA issue and that the embargo should be lifted. Therefore they said, 'We don't want any more of this incriminating evidence to become public."

Mr. Lord angrily denied that any State Department officials discouraged the Rus-

"No one in the State Department would say, 'We don't want documents,' "Mr. Lord said. "The reported position by the Russians is directly contrary to official United States policy. Anyone who would have said that would be fired."

A person who attended a meeting in Moscow in October between Mr. Lord and the deputy foreign minister at the time. Georgi F. Kunadze, said verbatim notes showed Mr. Lord thanked the Russians for providing

documents and urged further cooperation.

State Department officials said they sent a cable Nov. 13, underscoring that Washington wanted all relevant documents and protesting reports that Russia had agreed not to release such files without first consulting

One U.S. official familiar with the contents of the cable said Colonel Osipov was known to be reluctant to release Vietnamrelated documents and may have concocted the story that State Department officials had urged Moscow not to release them.

Under this interpretation, Colonel Osipov was trying to ward off pressure to release documents, knowing that they could embar-rass Moscow. Some U.S. intelligence officials said the colonel is a former KGB agent.

He did not return two calls to his office.
—STEVEN GREENHOUSE

## **Away From Politics**

· A particularly dangerous form of cholesterol appears to be the single most powerful trigger of strokes, a study concludes, detailing a discovery that may someday belp doctors control them. Researchers found that people with high levels of this substance, called lipoprotein (a), are more than 20 times more likely than those with lower levels to suffer strokes. The results of the Austrian-American study were presented at a meeting of the American Heart Association.

• Lawyers for 11 Branch Davidians accused of killing four federal agents during a raid last Feb. 28 have rested their case in San Antonio, Texas, without calling any of the defendants to the stand, Final arguments will begin Tuesday.

 The first woman to take day classes at The Citadel says she's been the target of hisses, obscenities and slurs aimed by anonymous members of the all-male corps of cadets she's suing to join. "If they're not brave enough to come up to my face and say it, then what kind of eberacter is that?" Share in Faulkner asked.

Steven Holfenberg, who once tried to buy the New York Post, has been charged in New York with securines fraud and obstruction of justice for allegedly falsifying records of his financial company. He was freed on \$1 million bond.

 A legal skirmish has erunted at the U.S. Naval Academy over 47 midshipmen's claims that they were intimidated into making incrim-inating statements during investigation of a cheating scandal. The midshipmen have alleged in a suit in U.S. District Court that navy investigators cursed them, threatened them with military prison and denied them access to attorneys during questioning about cheating

#### Mr. Clinton admitted that be had gone on to sample sunk, he seemed just a bit reluctant to dispel an image that made auto workers guifaw and made others an apple fritter that someone present described as "the on a 1992 electrical engineering exam. size of a baby's head," although he insisted be only wonder about Monsanto's scratchy contribution to

The Mudslinging Starts in North's Bid for Senate

By Kent Jenkins Jr.

dodging the draft during the Vietnam War.

The exchange began when John Singlaub, a retired army general and a vocal critic of Mr. North who once served as conduit for arms in the Iran-contra affair when he was a White House side, led a news conference Thursday at which a group of retired officers endorsed Mr. Miller, a former Resean administration budget director.

In interviews afterward, General Singlaub questioned Mr. North's honesty, saying that the former White House aide who was a key figure in the plot to sell arms to Iran and divert the profits to the Nicaraguan rebels, "was lying to me as he was to his other colleagues.

" He would lie to protect himself," General Singlaub said. "He fantasized so many things."

The campaign office of Mr. North, a former Marine
licentenant colonel, responded by releasing copies of Mr.
Miller's draft record, while studying the that he was granted a
paid minions out to attack me. Washington Post Service

WASHINGTON — What had been a fairly polite campaign for Virginia's Republican nomination to the U.S. Senate got nasty as a supporter of James C. Miller 3d called Oliver L. North a liar and a North aide accused Mr. Miller of Oliver L. North a liar and a North aide accused Mr. Miller of cluzation deforments to avoid serving in Victuam."

education deferments to avoid serving in Vietnam." Mr. Miller acknowledged the deferments, but said he did nothing wrong and was willing to serve in the military had he

Republican nominee will not be chosen until the state party's convention in June, convention delegates will be picked at local caucuses next month. In some cases, the deadline for registering to participate in those caucuses is just 10 days away, making it important for Mr. North and Mr. Miller to

line up conservative support now. Mr. Miller "is the one who slung mud today," the spokesman said. His draft record "has been sitting out there, and we didn't use it until he attacked us."

mid-Mr. "If he wants to involve himself in a mudslinging contest, 've got a barrel full of mud on my side. He's only got a pa full, if that."

General Singlaub has been a critic of Mr. North for several years.

been drafted.

The race for the seat now held by Senator Charles S.
Robh, a Democrat, is entering a critical phase. Although the contras, General Singlaub was one of several arms dealers

Mr. North used to provide those weapons. The two eventually parted on bad terms, and General Singlaub wrote a book in which he criticized Mr. North. General Singlaub has been widely quoted in recent years as questioning Mr. North's veracity.

For his role in the Iran-contra affair, Mr. North was found guilty on three charges, including obstruction of Congress, but the convictions were overturned.

## Randy Shilts, AIDS Crusader, Dies at 42

#### By William Grimes New York Times Service

Randy Shilts, 42, the author of a best-selling book on AIDS and a reporter for The San Francisco Chronicle, died of AIDS on Thursday in Guerneville, California. Mr. Shilts was one of the first

journalists to recognize acquired mone deficiency syndrome as a national issue and in the early 1980s he persuaded the Chronicle to let him report on it full time.

This resulted in a widely ac-

claimed 1987 book, "And the Band Played On: Politics, People and the AIDS Epidemic." A history of the Born in Davenport, Iowa, Mr.

Shilts grew up in Amora, Illinois, near Chicago. While attending the University of Oregon, where be studied journalism and was manag-ing editor of the student newspaper, he openly declared his homosexuality.

Mr. Shilts did not always please all homosexuals with his reporting. He discussed the dangers of San Francisco's bathhouses and anonymous sex in the spread of AIDS. He also attacked the practice of

outing, or revealing the homosex-

uality of public figures, unless the targets promoted anti-gay policies. Although Mr. Shilts said that he did not expect "And the Band Played On" to be a commercial

situation influence his reporting, be kept his illness secret until Februcords obtained through the Freeary 1993. dom of Information Act, the book traced the history of persecution of homosexuals in the military. In 1987, on the day he turned in

Heari Pierre, 75, a co-founder and longtime Washington corre-spondent of Le Monde, died Thursday in Washington. After the manuscript for "And the Band

pages of "Conduct Unbecoming"

For fear of letting his personal

in a hospital bed.

success, the book became a best- Played On," Mr. Shilts found out serving as correspondent in Mosseller and turned him into what he that he had tested positive for HIV. cow, London and twice in Wash-called "an AIDS celebrity." the virus that causes AIDS. In Auington, he retired in 1982 but still the virus that causes AIDS. In Auwrote occasionally for the paper gust 1992, he developed full-blown AIDS. He completed the final despite major heart surgery.

Maria St. Just, an actress and longtime friend of the playwright Tennessee Williams, died Tuesday of heart failure at her home in Lon don, her family said.



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#### first five years of the epidemic, it charged the Reagan administration, the medical establishment and U.S. Women Get Abortion Pill Offer Dining 🔏 some homosexual groups with in-difference to the disease. By Tamar Lewin

#### New York Times Service

NEW YORK - In a move prompted as much by pressure politics as practical concerns, a British clinic will begin providing the abortion pill RU-486 to American women, but only if they are willing to go to England and pay \$500 to terminate their pregnancy. Helen Axby, director of the Marie Stopes Health Clinic in London, said Thursday that she had reached an agreement with a representative of Britain's Department of Health allowing the clinic to offer RU-486

## thorities have forbidden the drug to proved the plan. be dispensed to nonresidents.

Ms. Axby and the president of about RU-486 from nouresidents, Planned Parenthood in the United States expressed hope that the increased availability of RU-486

"We clarified the rules in a conversation yesterday with one of the people in the Health Department

nonresidents. ing," said Ms. Axby, who refused Until now, British health au- to identify the official who ap-

particularly American women. This has been a very grey area of the regulations. But the Health Dewould help increase pressure on the partment has now agreed that we French company that owns rights can make RU-486 available as long to the drug to allow its sale in the as the woman will stay overnight at the clinic on the day of her miscar-

> Pamela Maraido, president of Planued Parenthood, said she would immediately notify all of the group's affiliates in the United States that women who wanted to avoid a surgical abortion could be referred to the British clinic for RU-486.

## **BRASSERIE DE ROODE LEEUW** \*

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called "an AIDS celebrity."

The book was made mio a TV

movie in 1993. He followed up with

"Conduct Unbecoming: Lesbians and Gays in the U.S. Military, Vietnam to the Persian Gulf" (1993).

Based on interviews with mili-

tary personnel and government re-

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## Kevorkian Is Ordered to Stand Trial In Michigan Assisted-Suicide Case The Associated Press charge, citing a previous rating that the state's ban on assisted suicide ordered Dr. Jack Kevorkian to was unconstitutional. Three other stand trial, turning down a request .

to dismiss the remaining assistedsuicide charge facing him. Judge Thomas Jackson of Re-corder's Court set an April 19 trial date for Dr. Kevorkian in the death of Thomas Hyde, 30, who suffered from Lou Gehrig's disease and died

last summer. Dr. Kevorkian, an outspoken advocate of medically assisted suicide for the terminally ill, said a trial would be a "farce." His lawyers had asked the court to dismiss the cials said.

assisted suicide charges have been dismissed by the courts on various grounds.

The Associated Press

NATO Maneuvers in Norway

OSLO - About 14,000 North Atlantic Treaty Organization more from a total of nine comtries are to begin monthlong rapidresponse maneuvers in northern Norway on Monday, NATO offi-



PRICELESS ART Do not miss the February 24th edition of the International Herold Tribune. YOU WILL HAVE A UNIQUE SURPRISE!

## L.A.: Californians Heading East

Continued from Page 1

date there is no statistical record of a post-earthquake exodus. But it is not hard to find anecdotal evidence that some people are

Ten people were interviewed for this article who have either already gone or have firm departure plans. All of them said they had been thinking about moving for some time. The earthquake gave them a

Sense of urgency.

For Mariene Besso, paradise was changed irrevocably with the 1992

But she would not consider giving up her rent-controlled apartment in Santa Monica until the earthquake that occurred a month

ago.
"The earthquake was the most horrifying experience of my life," said Ms. Besso, a bookkeeper from Euffalo, New York. 'I was all alone. Immediately I said, 'I'm out of here.'

One indicator of the level of the unease is a recent Field Poll, taken in late January, in which 7 percent of those surveyed in Los Angeles County said they were very likely to move because of the quake.

Thirty percent said they have considered moving because of fears of another earthquake. Since the Jan. 17 earthquake, which measured 6.7 on the Richter scale and killed 61 people, the

THE BILLION-DOLLAR

One Company's Quest for

By Barry Werth. Illustrated, 445

Reviewed by Christopher

NOST life-saving drugs have been discovered by figuratively sifting through samples of dirt

pages. \$25. Simon & Schuster.

MOLECULE:

the Perfect Drug

Lehmann-Haupt

Phoenix Chamber of Commerce has been receiving 40 to 50 calls per day from Southern Californians

wanting relocation information. The Las Vegas Chamber reports double the number of such requests from Californians since January. Just about everyone seems to know of someone who began pack-

Bill Dertouzos, a chef at a Beverly Hills restaurant, said his nextdoor neighbor, whose name he never did learn, held a lawn sale shortly after the earthquake and

ing after the earthquake.

"He said to me, 'Are you still here?" " said Mr. Dertouzos, a native New Yorker, adding that he plans to be gone within a year. Josefina Vidal, the feature editor

for La Opinion, the primary Spanish-language newspaper in Los Angeles, said that at a shelter two weeks ago she met a group of 23 Mexican immigrants — three large families and their friends, all legal. longtime residents of Southern Cal-ifornia — who were on their way to

They had already been consider-ing a move because of the poor economy, Ms. Vidal said. Southern California was sup

posed to be the easy life. It still is, on good days.

But lately the good days have been fewer in number.



HOLDING THEIR OWN — Troops patrolling Turkmenistan's border with Iran. Before the breakup of the Soviet Union, the patrols were handled by Soviet troops. Now they are mostly made up of local Turkmen recruits, and only the officers are Russian.

## RUSSIA: The Long-Awaited Industrial Collapse May Finally Be Arriving

layoffs and shutdowns of unprofitable production lines.

As yet, few companies have gone manifested, in which most people bankrupt and most are still avoid-work only in theory and get paid

crushed or picked apart. An hour in

the gut, and the nuclear sub in 'The Fantastic Voyage' would look like

a car left overnight on the shoulder

story is that you are aware through-

out from the lack of news outside

the book that no major break-

not in the time that the narrative

covers. So as the company keeps running into new obstacles, you ex-

pect it to end up falling into the pit. Yet by the end it has neither suc-

Still, Werth, who is a free-lance

journalist specializing in science and business issues, has revealed

much about how contemporary

drug research works and has raised

provocative questions about the

compatibility of science and capi-

talism: Does the quest for profits tend to corrupt pure science? Are the goals of drug science too

chancy for prudent investment?
As for where Veriex may eventi-

ally be headed: Such is Werth's pio-

ture of Joshua Boger that you end

up thinking of him as a magician

who will keep pulling rabbits out of

ceeded nor (ailed.

One difficulty with the complex

nomic depression is being is no question that the trend of "temporary" closings and vacations has picked up over the last two months, convincing many here that Russia has entered a new stage of economic hardship.

> The crunch has developed gradually over two years, as factories have struggled to find ways to make up declines in sales and subsidies or postpone tough measures.
>
> A few have found new markets, often foreign, to take up the slack Some have retooled their production lines toward sought-after consumer goods. Most have just waited and hoped for the best, reducing working hours and eliminating workshop here or a line there to save money as debts mounted.

Many have simply stopped pay-ing their bills and taxes, while their customers, including the government, have stopped paying them; such inter-enterprise debts are now estimated at nearly \$10 billion.

Officially, Russian unemploy ment now stands at less than 2 percent. But that does not count the millions of people who have not been paid in months because their factories are out of money or who have been on imposed "vacations" for months at partial pay or none. Last week the International Labor Organization estimated that actual unemployment here is at least 10 percent and rising.

It is already apparent that no sector of the economy is immune and strikes; once unheard of here,

ing outright layoffs. Instead, a pethat way too. It is unclear how long the hardest hit with the drop-off in cultarly Russian version of eco-such a situation can last, but there state procurements, and many facstate procurements, and many fac-tories are working only fitfully.

> At the Krasnoyarak Machine Building Factory, once one of the largest Soviet missile plants, hun-dreds of angry workers blockaded the administration building last week because they had not been paid in four months. Many workers have been put on enforced leave, with several sections completel shuttered, and the factory has been forced onto a three-day workweek.

The automobile industry is also struggling. At Zil, which in addi-tion to limousines produces huge, inefficient trucks, the number of employees has dropped in the last year from about 70,000 to 39,000. And now half of the current employees are on partially paid leave, while thousands of trucks sit unsold in the plant's compound.

For many Russians, the most dramatic statement of the current economic distress occurred last week when the country's largest vodka distillery, Kristall, announced that phrameting sales were forcing it to send 700 of its 1,200 workers on unpaid leave for two weeks. Officials said the factory, whose brands include Stolichnaya, had never stopped produc-tion in peacetime during its 99-year

Kristall's managers blamed an increase in excise taxes for making their brands too expensive for most sians and costing them million of dollars during the crucial New Year's holidays. The government responded swiftly by rescinding the tax increase and suggesting a fur-ther tax cut might be in order.

## EU Partners Call On Greece to End **Macedonia Curbs**

Compiled by Our Staff From Dispetches
ATHENS — European ministers
pressed Greece on Friday to fift a trade blockade on the former Yu-goslav republic of Macedonia, sayng the decision harf European Union solidarity.

The German foreign minister, Klans Kimkel, and his Belgian counterpart, Willy Claes, in Athens for an EU meeting, said they had asked Greece to reconsider a decision that damaged EU solidarity... The Greek position is unus and opposed to the usual behavior among civilized European na-tions, Mr. Kinkel said. We don't need another crisis point in Macedonia. I want to say clearly that

we expect Greece to act in solidarity with the other 11 nations." "I expect that Greece will with-draw this decision," he added. Asked if the neighboring republic should first meet any Greek demands, he said, "No."

In a rare gesture of displeasure between EU partners, the Foreign Ministry in Paris formally and moned the Greek ambassa protest Athens's move.

"We told him of our scute con-cern at the measures taken by his government, which are counter to the dialogue between Athens and Skopje recommended by the secre.

tary general of the United Naeign Ministry spokesman.
Prime Minister Andreas Papan

dreou said Wednesday that Greece would stop the new Balkan republic from using Salonika, its main trade route, except for vital supplies of food and medicine. The Finance Ministry said later

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Its Conto

At Dead

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that the embargo would apply to all customs points in Greece, not just the port of Salonika Mr. Claes said that Athens should seek to compromise in its two year fend with Skopje, the capital of Macedonia

"We understand the Greek posi-tion," Mr. Claes said, "but we insist on the need for dialogue among the 12, if possible as early as next week, to find a just and acceptable com-

Despite heavy criticism from its allies, Greece, which holds the ro-taing EU presidency, has begun stopping ships from handling goods for Skopje at the port of Salomka and blocking trucks from cossing the border 70 kilometers (40 miles) north.

Salonika officials reported that more than 20,000 tons of dry food and raw materials destined for Macodonia were blocked at cus-· (Reuters AP)

#### KOREA: Seoul Rethinks Patriots reinstate the military exercise

Continued from Page 1 cally, entirely a defensive weapon,

He said South Korea would an nonnce suspension of a joint mit-tary exercise planned for this spring with the United States once the atomic inspections begin in not play the game that it played for North Korea and once Pyongyang, the past year," he said. "We're in a begins talks with Seoul about bar position where we can show the ring all nuclear weapons from the world that we have exercised all our

He indicated however that if Mr. Han's tone was markedly the International Atomic Energy different from last week, when he Agency concluded that North-Ko balked at talking tough and threater had improperly diverted stooms ening sanctions for fear of angeing material, then Second would plan it to the North.

in uncharacteristically strong language, Mr. Han warned North Korea that sanctions lie ahead unless it lets inspectors visit two additional atomic sites. North Korea knows that it can

## U.K. Agrees to Ban Dumping Of Radioactive Waste at Sea

The Associated Press LONDON — Bowing to mer suffermediate-level, radioactive national pressure, Britam will join; waste although she noted that Britthe United States, Japan and other am had not dumped any such waste countries in a permanent ban on since 1983. At a conference last dumping radioactive waste in the

Shephard announced the move to permanent han

join the ban on dumping low and since 1983. At a conference last year, Britain was one of five na-Agriculture Minister Gillian tions that abstained in a vote on a

#### from all over the globe, or screening, This is where the hero of Werth's story, Joshua Boger, comes in. Boger is a chemist who early believed that **NEW AUTHORS** with the advances of science and technology, drugs could be designed instead of discovered by screening.

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Every Book

as the process is called. As Barry Werth reports in his razzle-dazzle new saga of science, "The Billion-Dollar Molecule: One Company's Quest for the Perfect Drug," one experimental drug called FK-506 was found in a dirt sample from a mountainside in Japan.

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FK-506 suppresses the human immme system, which has allowed a medical pioneer, Dr. Thomas Earl Starzl of the University of Pittsburgh, to perform wonders of transplant surgery, like entire intestines. But FK-506 is toxic and has proved fatal in experiments with dogs.

which process he has derided as a "monkeys with typewriters" ap-proach to medicinal chemistry.

As Werth reports, Boger envisioned designing a version of FK-506 that would suppress the immune system without adverse side effects. The result would not only facilitate organ transplants but would also imply cures for autoim-mune diseases and an understanding of how the AIDS virus might be disabled. Such a drug could earn billions of dollars in the highly profitable biotechnology industry.

With these objectives in mind, Boger early in 1989 left his starring role at Merck & Co., recruited several of that drug enterprise's leading scientists and started Vertex Pharof the Cross-Bronx Expressway." maceuticals to build a better molecule. His only obstacles would be the competition of other brilliant minds, the need for millions of dolthroughs are going to occur in Ver-tex's quest for a new design, at least lars in venture capital and almost

total ignorance of how or why FK-506 suppresses the immine system. Boger, so driven and energetic in Werth's portrait that as early as the fourth grade he turned in a 400-page report on Africa, could not imagine anything but the wildest success.

How Boger fared in his attempt to juggle pure science and big business while balancing himself above an alligator pit of adversity is the subject of Werth's lively narrative, which itself resembles a circus act in its race to keep a dozen subplots The book succeeds in making its

blockbuster metaphors. For instance, about the problems of delivering drugs to the human body by means of pills, Werth writes: "Because molecules are groups of atoms chained together like pop

complex science reasonably clear,

sometimes through the use of

be the cure for everything.

his hat until one of them turns out to beads, a drug entering the body orally must be small, durable and extremely resistant to being on the staff of The New York Times. dustrial complex has been one of

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## THE ALLIED THREAT / THE ALLIED THREAT / TOO Many Ques NATO and Its Future in Bosnia: Too Many Questions, Too Few Answers

By Craig R. Whitney

New York Times Service

BONN — Even if the NATO allies do not drop a single bomb around Sarajevo next week, diplomats say the alliance — and the United States — have now become militarily involved in the conflict in a way they have never

The question is how long they will stay involved, and whether they are prepared to stick it out long enough to devise a strategy that will ead not just the shelling of Sarajevo but the war itself.

If the Bosnian Serbs do finally withdraw their heavy If the Bosnan Series do many windraw incar neavy weapons by Sunday night, saving face by dealing through Russian intermedianes instead of bowing to NATO's threat to start bombing if they did not comply, the allies can claim success. But if this happens, the North Atlantic Treaty Originization's critics will argue that it could have prevented the siege, and the war, in the first place if it had only acted easilier. only acted earlier.

Although NATO is prepared to bomb weapons not put under UN control within a radius of 20 kilometers (12 miles) from the center of Sarajevo after the deadline expires. UN anthorities in Zagreb said Friday that they expected the Serbs would comply by Saturday night. Rosma-Herzegovina A NATO spokesman in Brussels said the alliance would a strategy to end it.

E CARREST

their weapons out.

"If Russian pressure will help, we welcome that, but there should be no misunderstanding," he said. "If after the deadline, weapons outside UN control are found. within the zone, they will be subject to strikes."

A NATO diplomat also said that bombs could start

#### NEWS ANALYSIS

falling even if only a few Serbian weapons had not been withdrawn by Sunday night.

"The blood lust is up in Washington," he said, "but even if the guns are taken out of the zone, it is only a tactical withdrawal that in no way changes the Serbs' strategic goal of a united Serbia."

"We can't allow the guns to come back in," the diplomat said, "but what do we do next? The fundamental problem is still the lack of a clearly defined strategic goal." Even if Sarajevo never again suffers the murderous kind of shelling that killed 68 people in the marketplace on Feb. 5 and finally spurred the allies into action, the war, in this view, will go on in Bihac, in Tuzla and elsewhere in Bosma-Herzegovina unless the allies finally come up with

attempts to negotiate a cease-fire that there could be no successful political-diplomace strategy to end the war without the full participation of the United States.

The American military was long reluctant to become

involved. But a few hours spent at the Allied Forces Southern Europe command in Naples with Admiral Jeremy M. Boorda, the U.S. officer in charge, made it clear that planning for possible bombing missions was in high gear, with 170 planes and hundreds of pilots, including

Americans, ready to go into action.

Still, the United States is not yet willing to send troops in on the ground until a negotiated peace agreement is reached. The European allies, bowever, would like to see Americans more heavily involved in the UN peacekeeping force in Bosnia as part of a combined political and diplomatic strategy to bring pressure on the Serbs. Croats and Muslims to stop the fighting.

The United States has sent an emissary, Charles E. Redman, to play a more acove role in the peace talks, to try to get the warring parties to see that they have more to gain from a negotiated settlement than by continuing to fight on the battlefield.

By Douglas Jehl

New York Tunes Service

WASHINGTON — The United States said
Friday that it would be watching closely to
ensure that Serbian forces around Sarajevo

honored a NATO ultimatum that takes effect

It warned again that a violation would be

They know exactly what they have to do,"

said Michael McCurry, the State Department

spokesman, referring to the NATO demand

that the Serbs remove heavy weapons from around Sarajevo or put them under United Nations control. They know what will happen

if they don't comply."
"The test will be in their actions on the

ground," said Dee Dee Myers, the White House spokeswoman, "The NATO decision has not

[A senior White House official said that Pres-

ident Bill Clinton was likely to make a statement to the American people on Saturday to explain why the United States might be in-

volved in air strikes in Bosnia, Reuters report-

As a senior Russian official warned that air strikes could lead to "all-out war" in Bosnia,

Mr. McCurry acknowledged that Moscow remained less than sympathetic to the reiteration

But be said that Russian officials had been

less alarmist in private conversations with their

U.S. counterparts and said representatives of

the two countries would meet in Europe next week in an effort to forge a common approach

The State Department spokesman praised the Russian decision to send 400 troops to belp

in the peacekeeping around Sarajevo. But be

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sort 61 Quip, part 3 67 Electroo

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Chips, 1969

reading, etc.

68 Aware of

Sunday night.

hanged."

of the NATO threat.

to peace in the region.

punished by air strikes.

not insist on claiming credit for success if the Serbs pulled
their weapons out.

To many people in Europe, it has been clear ever since ed earlier empty NATO threats to bomb them with contempt, but took the latest one seriously once it became the failure two summers ago of the first European Union them. clear that NATO and the United States really meant it. there?

Negotiations to end a war do not take place in a vacuum. To oroduce a settlement, negotiations have to reflect realities on the battlefield, and one of those in Bosnia is now NATO's willingness in become involved.

"What we have is a progressive stepping up to the mark by NATO," one allied diplomat in Brussels said, "and this is going to have a salutary impact on the negotiations. I think this demonstrates that NATO is in a position to play a constructive role in the resolution of the conflict."

But that will be true only as long as NATO remains willing to be directly engaged. Short-term tactical success achieved with Russian help in Sarajevo could become an obstacle to long-term strategic success, by encouraging the illusion that engagement need not last very long or cost

But, as one allied official with memories of French and American involvement in Vietnam said, "Duration is the key to this situation.

And Sarajevo could be only the beginning, not the end of NATO involvement in the war in the Balkans, depending on the answers to many questions:

• If the Serbs withdraw their weapons and use them

• If the Serbs bring back the weapons and fire at Sarajevo again, is NATO going in stop them? • If the Bosnian Muslims try to use the withdrawal to

seize back captured territory around Sarajevo, will the United Nations or NATO stop them?

• If NATO is willing to use air power to bring about a cease-fire in Sarajevo, why not anywhere else?

• And finally, if the Serbs do not withdraw, if the bombs start falling and if the Serbs retaliate against the UN peacekeeping forces on the ground, how long is NATO willing to keep flying to protect them?

NATO's credible but limited threat to use force for the first time in its 45-year history, combined with the constructive assistance the allies hoped for from the Russians, may have deterred further atroctites in Sarajevo.

But they continue elsewhere in Bosnia-Herzegovina, and may not stop until the alliance develops a long-term strategy to back diplomate efforts to end the war and deter others in the ethnic snake pits elsewhere in Eastern Europe, including the young republics of the former



## A Bosnian Scribian atmored convoy prepared to leave its headquarters in Lukavica, near Sarajevo, as deadline for withdrawal neared.

Its Convoys At Deadline Compiled by Our Staff From Dispatcher GENEVA — The United Nations will halt convoys in Bosnia for at least two days around NA-TO's deadline for Serbian forces to withdraw heavy weapons from Sa-.. rajevo or he bombed.

Sylvana Foa, a spokeswoman for the UN High Commissioner for High Refugees, said Friday that there their was would be no convoys Sunday or Monday for security reasons. She said the airlift into Sarajevo would continue.

The decision was to be reviewed

good effect.

Saturday morning, and again Sun-day in light of the latest developments on the NATO ultimatum, in which air strikes are threatened if the factions have not demilitarized Sarajevo by midnight Sunday.

Miss Foa said about 200 staff

members currently remained in Bosnia, down from the usual level of 260. About one-third of them are international, she said.
"We have reduced staff in some

areas and we may reduce further," she said. "But in any place where we have a major ongoing operation, we will still be there." She said most tracks would return to bases outside Bosnia by

Saturday. The refugee agency planned to resume the convoys Tuesday. Having trucks out there when the situation is very tense is just not

worth it," Miss Foa said: "They'renot going to get anywhere anyway. They'll sit at checkpoints."
However, she dismissed reported

threats from some Bosnian Serbian military leaders to take UN workers hostage in the event of NATO air strikes. We take that with a grain of

salt," she said. "We have assurances at the highest level." (AP, AFP)

challenge the West to press the Muslim-led Bosnian government. comments by Vladimir V. Zhirin-"The Bosnian Serbs have agreed ovsky, the ultranationalist political leader who has managed to scare even some of his own supporters with his beliecose statements. keeping troops in the area," said the Russian foreign minister, Andrei V. Kozyrev. "We, therefore,

act rather than talk about ultima-

provoke another world war.

· there would have been no Russian

two sides had in mind in the initial meeting point two sides had in mind in the initial 19 Defendant's stage of the post-Communist era, but if it works, both sides are certain to want to share the credit.

basis of a lasting peace.

## NATO: Serbs Continuing Pullback as Deadline Nears

## nia. By accepting the Russian offer, Mr. Karadzic could appear to he meeting a request from a traditional ally rather than capitulating to Western threats.

ment of Russian peacekeepers, saying they would take the Serbs, side in the conflict. But Mr. Akashi said he had told the Bosnian Muslim the UN troops would remain nea-

are impartial."
Mr. Akashi, who later met with UN and NATO military commanders in Zagreb, Creatia, said
Mr. Karadzic agreed to allow full

Mr. Karadzic agreed to allow full

Mr. Maradzic agreed to allow full

Descript reproper that the Rosnian freedom of movement for UN pa-

clusion area around Sarajevo.

Bosnian government officials worried that if the peace process stalled, the cease-fire could seal sident, Alija Izetbegovic, that Scribian gains on the battlefield and

lead to the permanent partition of We are objective, he said. "We Scrbian siege for 22 months. One UN official said, "Sarajevo

Despite reports that the Bosnian freedom of movement for the particle of the pa "Some significant number of civil defense officials have ordered

Continued from Page 1 heavy artillery and mortars have preparation of bomb shelters in to other Muslim-held areas of Boscase air strikes bring massive Bos-nian Serbian retaliation. "I don't trust UN reports and

especially not the Serbs," said Fuad Babic, the civil defense commandcr. "I will believe in the withdrawal al ally rather than capanianing to western threats.

Western threats.

Some Bosnian government officials criticized the planned deploy- was running short, but added, "I see it. The moment is coming, and I think NATO will strike."

Schools in Sarajevo, which have think we are on the right track."

Schools in Sarajevo, which have think we are on the right track." Schools in Sarajevo, which have been closed since Dec. 3 for lack of heat, were to have reopened Mon-

"Despite the fact that the threat

was never more serious, I simply cannot imagine that something beautiful like this could happen, (Reuters, AP)

#### emphasized that the soldiers would be under UN command, and reiterated the NATO threat despite the stern warning from Deputy Foreign Minister Vitali I. Churkin of Russia that such talk was counterproductive.

U.S. Keeps a Close Watch on Sarajevo

"The important thing at this point is to see actions from the Serbs because, as you know, in the past we've seen plenty of words," Mr. McCurry said.

U.S. officials acknowledged Friday that heavy cloud cover has made it impossible for U.S. reconnaissance satellites to measure the extent of the Serbian withdrawal from the area around Sarajevo. They were relying instead on reports from UN officials on the ground.

With the United States trying to maintain its focus on the Bosnian capital, U.S. officials said they were not yet ready to see how they would respond to a new UN report concluding that as many as 5,000 regular Croatian Army troops may remain in Bosnia.

That would violate a pledge made by the Croatian government, and could trigger the economic sanctions that have been weighed for weeks by the United States. The State Department said it would wait until next week to raise the matter at the United Nations,

#### ■ Cautious Optimism in U.S.

Defense Secretary William J. Perry said that he was "cantiously optimistic about the developments of the last few days," news agencies reported from Washington.

Mr. Perry will go to Aviano Air Base in Italy on Sunday for a meeting with the defense ministers of key allies.

Mr. McCurry, the State Department spokes-man, was adamant that the Sunday nltimatum only applied to the Sarajevo area and did not

They Know Exactly What They Have to Do,' State Dept. Aide Says of Serbs prevent the Bosnian Serbs from continuing to shell other civilian populations.

The NATO ultimatum clearly does not ad-

dress the redeployment of that artillery to other places within Bosnia," be said. There does arise the possibility that the fighting can continue elsewhere, as fighting has

continued in recent days in Bihac and Vitez and other places with Bosnia," he said.
France also warned Friday that the Western

alliance remained determined to implement the ultimatum if its conditions were not met.

The decision announced yesterday by the Serbs under Russian pressure is positive, but we are used to so many unfulfilled commitments, unrespected cease-fires and broken words that we shall have to see before deciding," Foreign Minister Alain Juppe said in Perigueux, southwestern France.

Mr. Juppe implicitly rejected a warning from President Boris N. Yeltsin of Russia to Presi-dent François Mitterrand of France against NATO air strikes on Bosnian Serbs if the ultimatum was not respected.

"If the ultimatum is not satisfied," Mr. Juppe said, "the Atlantic alliance in coordination with the United Nations will have to do what it has previously announced, It's a matter of credibil-

Mr. Mitterrand's office said a message delivered by the Russian ambassador, Yuri Rhyzov, on Thursday warned against the "terrible consequences" of an air strike.

Mr. Juppe said that the withdrawal of the heavy guns was only the first step, which must be followed by allowing freedom of movement for people and bumanitarian convoys in the Sarajevo area and putting the district under UN

(Reuters, AP)

## THE COST OF LIVING By Harvey Estes

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© New York Times, edited by Eugene Maleska.

#### UN to Halt KREMLIN: Serbs' Decision a Triumph for Yeltsin At home, Mr. Yelin's peace- initiative, and no Serbian accord of those hade r making moves are certain to look good in comparison with the recent

to withdraw all heavy artillery due to the appeals of President Yeltsin and promises of Russian peace. expect our Western partners to encourage the other side to withdraw their weapons. It is time for them to

If the Bosnian Serbs are true to their word, then Russia will be able to say that it was right to exploit the historic Slavie and Orthodox bonds between them in the interest of ne-

gotiating peace.

By keeping a distance from the.

West's threats, Moscow can say it. was able, when the time came, to use its influence with the Serbs to. Without the NATO ultimatum,

After a whirlwind tour of Serbia, during which he voiced support for the most extreme Serbian nationalists, Mr. Zhirinovsky recently told Russian lawmakers that any NATO strikes against Serbs would amount to an attack on Russia, and

What the Russians will never admit, not publicly anyway, is that the Serbs would probably not have agreed to move their guns had they not faced a new Western threat to inflict military punishment for con-

tinning the siege of Sarajevo.

Thus, if the cease-fire holds, and the siege of Sarajevo is lifted, and peace negotiations resume in earnest, then it will have taken a new and curious post-Cold War eboreography, in which both East and West have glided around each othor with artful steps and feints. 15 Blackmailer's

But veteran diplomats familiar 22 New Rochelle with the treachery of Balkan politics were reluctant to herald the 27 Start of an ode's

agreement reached Thursday as the asis of a lasting peace.

28 One of 12 popes
"Just because people say things 29 Redding of 60's

are happening doesn't mean they will," one Western diplomat said. 31 Writer Ouentin "If they do happen, then the Russians should get some credit for it, and that will be lovely." 33 Stop on a

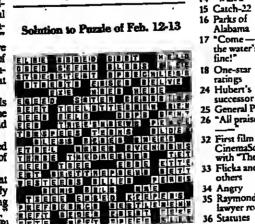
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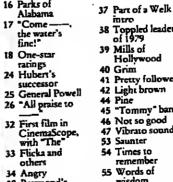
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day but will remain closed for at ast another week. The city's two major hospitals have been placed on alert. Some private companies said they would close next week as a precantion.

Fima Jerlagic, 25, is both scared is already a divided city, just like Elma Jerlagic, 25, is both scared and excited about the prospect of

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## A Political Sale to Saudis

\$6 billion worth of American planes. The Saudis intend to replace the fleet of their national airline, but they originally proposed to divide the order between Boeing and Airbus, the European consortium. After intense lobbying by President Clinton personally and several members of his cabinet, King Fahd changed his mind and decided instead to buy only American planes from Boeing and Mc-Donnell Douglas. That is splendid for employment in the American aerospace industry. But in the future, neither the American aircraft companies nor their friends in Washington will be able to complain, as they have done bitterly in the past, about other governments' interference in aircraft sales.

Mr. Clinton would no doubt say that he was only doing what the heads of European gov-ernments have always done in behalf of their companies. That is true, but political interest is rarely absent from any of these sales. No one understands that better than the Saudis. They know that they have oow done Mr. Clinton a huge favor with a very positive impact in a state - California - where he needs all the help be can get. They hope he will remember that, the next time the shadow of a

In the highly politicized market for jet air-liners, Bill Clinton has just scored a great coup. He has persuaded Saudi Arabia to buy

threat falls across their kingdom. They also know that their style of government, a medi-eval monarchy, lies at some distance from the democratic ideals that the United States actively promotes in most other places. They like to give Americans good reason to stay off that delicate subject in their country. The \$6 billion for civilian jets is a relatively

small amount compared with the \$30 billion in American military equipment that Saudi Arabia has on order. Because of the current low prices of oil, the Saudis have had to stretch out many of these purchases. Desnite these obvious financial strains, the Clinton administration says it is not worried about the Saudis' ability to pay for the new planes.

Relations between Saudi Arabia and the United States have become increasingly close over the years. They begin with oil. But Saudi Arabia is a thinly populated country, mostly desert, surrounded by many enemies. The Saudis find it prudent to recycle some of their oil wealth back into the U.S. economy in ways that make useful friends - in this case, by helping to soften the effects of the cuts in American defense spending. In return they ask only that Americans in power think kindly of their country, and of the convenience of keeping it safe and stable under its present regime.

-THE WASHINGTON POST.

## Incentives for Iraq, Too

What is the best way for America to coax a secretive, impredictable and sometimes belligerent "rogue regime" to abandon efforts to make prohibited weapons like nuclear bombs or chemical and biological agents? In the case of North Korea, a deft diplomatic mix of economic incentives and threats of trade and financial sanctions is beginning to yield encouraging results. Yet in the case of Iraq, the Clinton administration clings to the purely punitive approach that it inherited from George Bush.

United Nations arms inspectors now fear that U.S. reluctance to lift sanctions on Iraqi oil exports, in exchange for Baghdad's full compliance with arms control demands, could undermine the Iraqi cooperation that they oeed for their efforts to succeed.

The Gulf War revealed that Iraq had been secretly developing a wide range of massdestruction weapons, including nuclear bombs, medium-range missiles and both chemical and biological weapons. Making it impossible for Iraq ever again to manufacture or possess such weapons rightly became the

top UN priority after the war. Security Council Resolution 687, approved and largely drafted by the United States to ratify the cease-fire terms, reflected that priority. It states that once the council finds Iraq in full compliance with all provisions relating to the destruction and monitoring of prohibited weapons. UN sanctions against Iraqi oil exports "shall have oo further force or effect." Eager to resume those oil sales, Iraq has been

broadly cooperating with UN arms inspectors, although problem areas remain and long-term monitoring has barely begun. But Washington strongly hints that it will block the lifting of oil sanctions until Iraq meets other unrelated Security Council demands, like recognizing the new Kuwaiti border and curbing repression of Kurds and Shiites.

Iraqi officials now ware that Saddam Hussein could order them to stop cooperating with arms monitors if the Security Council does not mean to honor its own language. There is political gamesmanship in these fraqi warnings. Yet Washington would serve no use ful purpose by unilaterally rewriting the rules.

Before the Security Council can deem Iraq to full compliance with its arms obligations, Baghdad must establish confidence that it would keep cooperating with UN monitors even after oil sanctions end. One precondition for such confidence is that Iraq build up a record of cooperation over an extended period of time, probably at least six more months. Other aspects of Iraqi behavior can legitimately be considered, but only to the extent that they directly bear on the confidence issue.

The point of sanctions is not to punish malefactors to eternity, but to make stubborn governments, even "rogue regimes," do what they otherwise would not. That requires good faith on both sides of the sanctions bargain. If Baghdad can fairly meet the conditions of the Security Council resolution, it should qualify for the promised relief.

-THE NEW YORK TIMES.

## Face-Lift for Foreign Aid

Responding to its own inclinations as well as to bipartisan demands in Congress to improve the looks of foreign assistance, the Clinton administration performed radical reconstruction on the aid program last year. The face-lift did oot come about without causing some trauma up and down the ranks of the Agency for International Development. As a result of the surgery, foreign aid has a new lease on life.

Building on the 1989 Hamilton-Gilman re-port, a Bush administration reform proposal, and the Wharton foreign assistance task force report (named for former Deputy Secretary of State Clifton Wharton), the administration drafted a new bill that trims away 33 separate aid goals and 75 priority areas that Congress had forced on a succession of Democratic and Republican administrations. The new measure also peels away numerous funding earmarks and outdated country restrictions, all Cold War relics embedded in the 33-year-old aid statute. Gone, too, is the Economic Support Fund, which the administration rightly sized up as a program singularly unsuited to a

world no longer threatened by communism. What has emerged is a smaller and neater measure with a less invasive set of foreign aid policies and objectives. That, at least, is the appearance offered by the foreign assistance

act rewrite. But even with the bill's new facade, it is fair to ask whether there is much else that is new or different underneath. Looking at the fiscal year 1995 foreign aid budget, it isn't at all clear that there is.

While the bill's titles and nomenclature have changed — this year's foreign aid rally-ing cry is called "sustainable development" the lion's share of the Clinton aid dollars will continue to flow in a familiar pattern. The former Soviet Union and the Middle East will garner more than half the funds in this year's foreign aid budget. That is about as it was before. There is no assailing the rationale for making such massive investments; promoting democracy, open economies and the peace process serves American interests. But when set-asides for protected foreign countries are subtracted, not much is left in the AID budget for all the other countries with equal needs and a commensurate ability to use scarce resources effectively.

The administration should be commended for producing a long overdue aid reform hill. Now it is up to Congress to agree to a new statute - and also a new budget that sets priorities according to America's true capacity to deliver what is needed.

- THE WASHINGTON POST.

## Other Comment

#### A World Away From Geneva

What on earth does the White House think it is doing? Hot on the beels of Japan's (sensible) rejection of American demands for numerical targets to boost American firms' sales in Japan, the Clinton administration has threatened trade sanctions and baffled financial markets. After a meeting in Washington between Bill Clinton and Morihiro Hosokawa had broken down rancorously, the yen spiked upward against the dollar. and administration officials talked publicly about favoring a weaker buck. Since American toterest rates recently rose, and Japanese ones are likelier to fail than rise, this is

mystifying: if a weak dollar is what the White House wants, it is unclear, to say the

least, how it hopes to achieve it. All this smells borribly of the summer of 1987, when a row between American officials and German ones ended in a world stock market crash in October. As stock markets again look vulnerable to a change in investors' mood, the White House's blend of trade war and policy confusion is at best reckless. It is all a world away from Geneva just nine weeks ago, when delegates to the General Agreement on Tariffs and Trade worked around the clock to conclude the Uruguay Round of trade talks.

- The Economist (London).



International Herald Tribune KATHARINE GRAHAM. ARTHUR OCHS SULZBERGER

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## U.S.-Japanese Trade Disputes Need a Quiet Forum

ATLANTA — Ever since Japan became one of America's most important trade partners and competitors, differences in national policies and priorities have threatened to degenerate into a counterproductive trade war. The current standoff is the most threatening to recent years and could have extremely serious consequences.

Such disputes are hardly unexpected, given the integration of Japan's government and

The wise men were disbanded soon after Ronald Reagan was inaugurated.

private sectors and its extreme dependence on exports. There is little doubt that Japan, a relatively closed society, bas alliances among corporations that would violate American antitrust laws as well as safeguarded paths of product delivery from raw material suppliers through manufacturers. wholesalers and retailers to consumers.

National laws and customs perpetuate these arrangements, making penetration of the market very difficult for foreigners unless they find a way to become part of the system. By Jimmy Carter

In fairness to the Japanese, U.S. laws almost completely exclude foreign imports that compete with vulnerable or politically powerful American todustries or farm pro ducers. Then, too, until recently most U.S. manufacturers depended oo America's enor-

mous domestic market for sales, with relatively little emphasis an exports.

With a few notable exceptions, American consumer goods are not designed to accommodate the exceptional preferences of foreign consumers. How many Japanese cars would Americans buy if all their steering wheels were on the right side?

Still, there are situations and products that require attention at the highest level in Washington to enhance equitable access to markets, protect domestic employment and prevent the dumping of foreign goods in the United States at or below production cost. These factors are exacerbated by domestic political pressures, with leaders of both na-

tions striving to avoid blame for economic problems and to gain credit for spirited actions and words against economic competitors. Fiery language, threats and step-by-step sanctions can escalate almost beyond control. There is a proven alternative to counter-

productive sanctions, public condemnations In the late 1970s, a U.S.-Japan Economic

Relations Group met regularly and privately to address the multiple trade problems that inevitably arose. The prime minister appointed four Japanese and I chose four Americans. Soon known as "wise men," all were respected senior statesmen knowledgeable about life and politics in both countries.

The co-chairmen were former Ambassadors Robert Ingersoll and Nobubiko Ushiba. With them were A. W. Clausen, Hugh Patrick, Edson Spencer, Akio Morita, Shuzo Muramato and Kiichi Seeki.

They had no authority and only advised the president, the prime minister and the special trade representatives.

Controversial issues - such as those involving the quantity of imported shoes, television sets and cars - were referred to them. For example, Japan quietly accepted a pro-posal that it limit the number of cars exported to America and begin a program of producing Japanese cars there.

Another resolved crisis related to allega-tions that the Japanese were dumping certain kinds of steel products on the American market at prices below those demanded in Japan.

The wise men's suggestions (aimost always unanimous) were shared with top national leaders, who were still free to become personally involved or to initiate a public debate.

The system worked remarkably well. Developing problems could be addressed al-most immediately before they became controversies, and the result of actions taken could be assessed quickly:

There was almost total freedom of communication, confidentiality was preserved, and the need for face-saving and political thetoric was minimized. The president and his special trade representative were provided with sound and well-balanced advice on which to make decisions.

Among private business and financial leaders in both countries, knowledge that the wise men had considered an issue and made a joint recommendation carried great weight and ped remove the stigma of politicization.

The wise men were disbanded soon after Ronald Reagan was inaugurated. The same system can work again and be initiated almost immediately. It would pay rich dividends.

Former President Carter is chairman of the Carter Center, which promotes conflict resolution, democratization and human rights. He contributed this comment to The New York Times.

## NATO Air Strikes Would Stoke Up the War and Affront Russia

SARAJEVO — The United States and its reluctant NATO allies have embarked on a dangerous game of brinkmanship. If air strikes are used against Serbian positions in Bosnia after NATO's ultimatum expires at midnight Sunday, they could touch off an even more destructive war throughout the Balkans.

And they could undernine relations between the United States and Russia and deal a severe blow to Russian political and economic reform. The dangers to U.S.-Russian rela-

nons were only underscored by Thursday's report that President Boris Yeltsin had persuaded the Bosnian Serbs to withdraw their beavy guns aimed at Sarajevo.
Until now. President Bill Clinton,

who has invested much of his foreign policy capital in supporting Mr. Yelt-sin, has gone out of his way to avoid antagonizing Russia over its tradi-tional ties with the Serbs. But Mr. Yeltsin is fast shedding his commit-ment to reform in the face of rising social discontent and nationalist sentiment. And the ultranationalist Vladimir Zhirinovsky continues to strengthen his political base by exploiting. Russian sympathies with the Serbs. So air strikes in Bosnia would be a

frontal challenge to Russia. A senior United Nations official here told me this week that the NATO ultimatum had "as much to do with the Americans' desire to teach the Russians a lesson as it has to do with the situation in Bosnia."

A high-ranking officer of the Bosni-an army said: "We have no illusions about American intentions in this region. The U.S. wishes to establish a military presence to the Balkans."

There is evidence to support this view. In the last year, Albania has leased a naval base to the United States and allowed the stationing of two spy planes on its territory. Under UN auspices, 300 U.S. soldiers have been stationed in the former Yugoslav republic of Macedonia. NATO was not party to any of these operations.

Not a week goes by without some four-star American general paying us a visit," said Saso Ordanoski, Macedonia's most respected political commentator. It seems unlikely that these generals are just boosting the morale of their troops. Small wonder, then, that Mr. Yelt-

sin was so eager to persuade the Bosmian Serbs to back away from the brink Or that the British and the French, aware of the dangers in a proxy conflict between the United States and Russia in the Balkans, oleaded with Moscow and Washington to give a chance to the deal brokered by Licutenant General Michael Rose, the UN commander in Bosnia:

By Misha Glenny

to establish a cease-fire, separate the warring armies and begin to restore normal tife in Sarajevo. If honored by the Bosman govern-

ment and the Serbs (and we must pray that it will be), the agreement could end the daily terror faced by the civilians of Sarajevo and restore a semblance of normality to the city, ft could also serve as a model for towns like Mostar, Tuzia and Gorazde. But the NATO ultimatum sharply raises the stakes. It gives more teeth to

much greater. If the Serbs fail to meet it, then the bombs are sure to fall or NATO's credibility will be to tatters. If NATO does attack, what then? First, NATO air strikes will not stop the war in Bosnia. For many months, the worst battles have been fought between the Croats and Mus-

lims in central Bosnia and to Mostar.

This will intensify as the Muslims exploit the tactical advantage that the

the Rose plan but makes the risks that

NATO intervention gives them. In turn, President Franco Tudiman of Croatia will send more troops to support the Bosman Crosts. Second, the Serbs will not take air

strikes lying down. Because of the economic chaos caused by sanctions. Serbs throughout the former Yugo-slavia are extremely hostile to the West. They will perceive NATO action to be the last straw. The Serbs have more than one way to respond. Apart from attacking foreign nationals in Bosma (including UN peacekeeping troops), they can launch the missiles that they have

They could open a new front to the south, in Kosovo or Macedonia. The Serbs are not the only threat to the stability of the southern Balkans. Such threats, toternal and external, have proliferated in recent months, as the U.S. State Department clearly.

trained on Sarajevo and other towns.

donian capital, Skopje, are especial ly concerned about the growth of radicalism among the Albanian minority in western Macedonia. Washington's recent decision to

recognize Macedonia unleashed a disturbing and violent outburst of anti-American feeling in Greece. On Wednesday, Greece decided to close its border with the former Yugoslav republic of Macedonia. That decision could imperil the economic stability of this tiny landlocked republic

where two wars have already been lought in this century.
Through diplomatic channels, the United States has warned Macedonia's neighbors that it is vitally in-terested in the country's survival. Yet NATO air strikes could seal Macedonia's fate. In December 1991, Germany pre-

maturely insisted on recognizing Croatia, against the better judgment of the United States and Britain. This proved to be Bosnia's death sentence. Bombing the Serbs would not stop

the war in Bosnia, but it would intensify the ferocity of nationalist conflict in the southern Balkans. Are the United States and NATO about to commit an even greater historical folly than the Germans?

President Cinton's special eavoy for Yugoslavia, Charles Redmond, said last week that he intended to take a more active role in the search for a negotiated settlement. This is a most welcome sign.
Russia and the United States.

must start cooperating immediately on this issue. Now that Russia has put pressure on Serbia to strike a deal, the United States should encourage the Bosnian Muslims to sign up. For NATO air strikes would destroy more than Serbian gun em-placements. They would kill the peace process as well.

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The writer, a former BBC correspondent and author of "The Fall of Yugoslavia," contributed this comment

## If Intervention Isn't to Be Decisive, Why Intervene?

WASHINGTON — The good orws about the U.S. decision to, in effect, conditionally enter the Yugoslav civil war on the side of the Bosnian Muslims is that it could have been worse. The administration could bave gone the mindless route of punitive air strikes against the Serbs to retaliation for the Feb. 5 mortar attack on the Sarajevo market that killed 68 people. Instead it issued an ultimatum designed to prevent future such attacks.

Moreover, the ultimatum is married to a poblical strategy: a pledge to lean on the Bosnian Muslims to accept the partition of their country. It is the Muslims, dissatisfied with the share of Bosnia allocated to them in the current peace negotiations, who have been holding up an agreement. U.S. willingness to put some pressure on them is a sign of highly belated

It was only a year ago, after all, that Secretary of State Warren Chris-topher thumbed his nose at the Vance-Owen plan because it gave the aggrieved party, the Muslims, too little. (They will now get less.) It was almost exactly two years ago, before the civil war broke out, that the Bush administration opposed another partinon plan agreed to by all sides in Lisbon that gave the Muslims more territory than even Vance-Owen.

Looking back, "the Lisbon agree-ment wasn't bed at all," says then U.S. Ambassador to Yugoslavia Warren

Zimmermann. But not good enough for Americans. Now, two years and tens of thousands of dead later, the United States is finally deigning to step down from the high moral ground and push for a realistic partition. That is the good news. The bad is that it is hard to see this strategy working. If the Muslims resisted the

current European partition plan as inadequate when they were alone and abandoned, why should they sign on. now that NATO is, in effect, prepared to intervene on their side? And where exactly does the NATO intervention lead? The ultimatum against artillery around Sarajevo is

designed — we are assured by Walt Stocombe, deputy undersearchary of defense responsible for Bosnia policy — oeither "to affect the military outcome" nor "to compel the parties to settle." Why? Because to do that would require massive NATO military involvement and "such use of air power is not feasible at any cost proportionate to our interests at stake." But if U.S. interests are not proportionate to the task required, what

portionate to the task required, what is America doing intervening in the first place? What is the point of a military intervention designed in ad-vance not to affect the military outcome or compel the parties to settle?

Moreover, the price of such limited

action could be very high. After all, the Muslims have been literally dying

By Charles Krambammer to bring America into the war. Once.

the United States gets engaged in air strikes, it is committed. It becomes a combatant, its prestige, its credibility mextricably bound with the late of one side, the weaker, losing side. The finitual intervention now being proposed will not bring peace. But the United States is not prepared. for the maximal intervention that might: the Desert Storm-type operation that serious proponents of intervention (such as General William

Odom, former director of the National Security Agency) admit would be required to decisively turn the tide: The war will go on American in-tervention is, after all, not designed "to affect the military outcome." America will then be stuck, forced ultimately either to withdraw under pressure when the stakes get too high or to get far more deeply involved.

Years ago, America similarly joined a civil war on the side of the weaker, losing, clearly aggrieved side — the side invaded and undermined by its stronger, more ruthless, totalitarian neighbor. It entered there, too, armed with limited objectives and the best of liberal good intentions. The place was Vietnam. But history played little part in the decision to weigh in with air power over Sarajevo. The decision was made on the basis of television pictures. What changed American policy was coverage of the massacre

at the market. Foreign policy by CNN may be psychologically satisfying but it is very dangerous. The record of interventions provoked by guilt inducing pictures is an unhappy one. In 1982 America sent the Marines into Lebanon in reaction to the pictures of Sabra and Shatila. Eighteen months later it left, no mission accom-plished, with 241 dead.

ft went into Somalia because of pictures. This time, at least, the mis-sion appeared nonmilitary and did save many lives. Nonetheless, the United States has been driven out of there, too. It leaves with Somalia again on the brink of chaos and with 30 American dead.

Contrast these with the one major military success of the post-Vietnam era. The Gulf War was not provoked by pictures. Indeed, there were no

mages galvanizing American intervention. America was galvanized not by emotion but by cold calculation. its security, its economy, its allies, its nuclear safety — in short, its vital national interests — were at stake. In Bosnia, the Clinton administra-tion has already calibrated U.S. inter-

ests as too small to warrant decisive military action. So the United States is committed instead to indecisive action. This will not end well.

### **Bosnians Matter**

HERE are both moral and strategic reasons for caring about Bosnia. The moral argument for solidanty is that denying sympathy deadens our moral sense.

More than 200,000 Bosnians have

been killed in this war, more than 2 million have been driven from their homes to no place, in what is called "etimic cleansing." Tens of thou-sands have been raped, tortured, mu-tilated. Bostian civilians have been the principle target of this war. -

We cannot be indifferent to such widespread pain so deliberately inflicted on so many people — at least, we cannot be indifferent without brutalizing ourselves, estranging our-selves from our values and fraying the bonds of civilization that hold together our society. We cannot deny curpathy with Bosnians without denanizing them and us.

Moreover, our indifference to their suffering encourages their tormen-Frend argued in "Civilization and Its Discontents," crimes which go un-punished incite others to crime. The icsson of the Rhineland, of Ethiopia and of Munich is that appeasing, re-warding, ignoring aggression encour-ages more aggression.

The strategic argument is as clear as the moral argument. The pattern of expansion in which Serbia has engaged —in Kosovo, Slovenia, Croana, Bosnia, Macedonia, upward toward Vojvodina and down toward Albenia -makes clear that Serbian leaders are operating from a large appetite and a strategic plan that is especially danger-ous today when there is so much instability in Central and Eastern Europe.

Jeane Kirkpatrick, in a column for the Los Angeles Times Syndicate.

### IN OUR PAGES: 100, 75 AND 50 YEARS AGO

1894: A Pre-Lenten Ball NEW YORK - The pre-Lenten fea-

tivities have been few, Mrs. Bayard Cutting's supper after the opera on Wednesday [Feb. 14] night and the last Assembly ball being worthy of more than passing mention. The Assembly ball was one of the gayest of the winter. Although a very late ball, the Assembly did not last as late as did the Bachelors' ball, from which festivity some of the subscribers, after having breakfasted on ham and .. eggs at 9 a.m., went to business in air dress suits or lounged at the club

in like ature.

1919: An Assassin Fails 🕾

possibility of losing him created a teeling of dismsy, which was only partially relieved by the reassuring bulleting that soon were issued concerning the wounded statesman's condition. A member of the delegation said to a correspondent: "I cannot sufficiently express my abbor-nence at this dastardly outrage."

1944: Taken By Storm

EONDON - [From our New York edition!] Soviet forces advancing slong the southern and western shores of Lake Ilmen yesterday [Feb. 18] captured Starzya Russa, a strong becenter of the Nazi northern front, and also took the roll strategy of and also took the rail station of PARIS — Consternation and indig—Stimsk, thaty miles northwest, Mos-nation reigned among the Peace Del—con announced last night. The an-egates when the news arrived [on municement came a few hours after reb. 191 of the attempted mander of the Germans reported they had eyacthe French Prentier. M. Clemencean unted the town, held by them since is recognized by all as the leading 1945 in the first winter of the Russian personality and the strongest driving. German was: The Russians said the force of the Conference, and the mere than was captured by soon.

## Feeling His Way Amid the Sniping

By Stephen S. Rosenfeld

WASHINGTON - Bill Chin-VV ton may not have won full bipartisan support for his foreign policy, but he is drawing bipartisan criticism. From two politicians of different stripes, Republican Sena-tor Robert Dole and Democratic Representative Dave McCurdy, come sharp raps on the substance as well as the style of his pobby.

The criticism uttered by Mr. Dole, the Senate minority leader, is pretty much what you would expect from someone very Washingtonshrewd who has his eye on the Republican presidential primaries of 1996. Mr. Dole wants a more assertive policy in which America is the "precominant" player, "first among equals." ant just "one of the equals." He reserves special animus for an ostensibly overreaching United Nations, to which he declares. President Clinton has "subcontracted" American independence.

The true source of much of Mr. Dele's presentation is nostalgia. His lament is for a time and a condition of American supremacy. as much imagined as real, in which the United States invariably had its way. We Americans all have moments of frustration when we indulge this fantasy, and so the administration cannot afford to ignore it and him although one wishes that the supposedly hard-headed Dole would deliver his constituency to a more realistic view.

But there is a second string to Mr. Dole's bow. He is able to har-

cess to his purposes Bill Clinton's own undernable confusions about

the uses of the United Nations, The

administration started out emanating visions of turning over to the

world body the hard cases among

regional disputes. It then ran into the organization's and its own cultural and operational limitations. These days it is simply trying to recover and protect a little political space in which the United Nations could still somehow serve. These starts and fits have opened Mr. Dole's way.

Mr. McCurdy's criticisms add something to Mr. Dole's. Chairman of the Democratic Leadership Council Mr. McCurdy sits among "de-fense Democrats" who are not entirely sure how their president will handle the foreign policy "opportu-nities" that 1994 offers him. He is all in favor of the "bold" leadership that Mr. Dole, 100, evokes, Mr. McCurdy, whose own presidential aspirations are little concealed, displays some boldness of his own.

The single most policy- and thought-befuddling issue of the post-Cold War '90s is whether the Bosnias, Somalias and Haitis are so important to the United States that it should be prepared to intervene to shape an outcome to its liking, or whether America can live well enough with whatever result emerges on its own. Most of us, including Mr. Dole, fudge this issue, scoring the president for a passive and reactive policy even while taking care not to raise the stakes too high, because that would force a commitment to act before we are ready for it.

In approaching this issue, Mr. McCurdy is not satisfied to take refuge in the administration's nuanced distinction between an intervention-unworthy "national interest" and an totervention-worthy "vital national interest." Rather, he openly asserts that the "universal ideals" at play in Bosnia, Somalia and Haiti are "important" but must

actual U.S. "interests" there are "limited." The line may not be asclear as he draws it, but for stepping up to a hard issue he wins a point. America's true priorities, says Mr. McCurdy, lie to Russia, China, North Korea and the Middle East. There remains a central consider-

ation that both Mr. Dole and Mr. McCurdy have grasped more clear-ly than Mr. Clinton. Bosnia-type issues of world order, whatever their strategic import, are dynamite in domestic pobtics. The American people really don't care much about foreign policy until something happens," says Mr. Dole. He accepts it as a politi-

cal given that in a crisis (when

"something happens"), the public expects a president to show his stuff. It is theater, but it reflects a deep and legitimate popular de-mand for command at the helm. Mr. McCurdy, although he has a different policy prescription for Bosnia, sees the political value of coming before the public as a reassuring foreign policy leader. Mr. Clinton is still feeling his way between the public's isolationist and internationalist tendencies. His ambivalence has kept him on the defensive and denied him full credit for his

considerable foreign policy achieve-ments in his chosen area of emphasis — improving the American performance in the global economy.

Still, the jabs from the likes of Messrs. Dole and McCurdy seem to arise more from a national edginess. than from deep discontent. The country is hardly at the stage of a great debate over foreign policy. Mr. Clinton's presidency is not in danger on that account. He has the time and

room to settle people down.

The Washington Post.

Saturday-Sunday, February 19-20, 1994

An installation in the "Scream Against the Sky" exhibition in Yokohama.

## Fresh Look at Japan's Art

By Carol Luify

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OKOHAMA, Japan — When the Yokohama Museum of Art amounced in 1991 that it had selected an American to curate the most ambitious postwar Japanese art survey in the nation's history, the news' was, well, shocking. Why would one of Japan's most prestigious art institutious abdicate that responsibility to a foreigner? And how could Alexandra Munroe, a New York-based curator, be expected to know more than her Japanese colleagues about Japanese art?

These concerns were followed by rumor - some of which came from within the museum - that the exhibition would be a flop. The selections, it was said, were dull; and there were too few works per artist, some of whom were threatening to pull out. As the opening approached, word began to-

spread that Munroe, a well-regarded expert on Japanese art, had been set up for a fall. She would become the latest in a long string of reminders that foreigners will never master the finer points of

It is a welcome surprise, then, that "Japanese Art After 1945: Scream Against the Sky," on view at the Yokohama Museum through March 31, is a stun-ning, if controversial, success. The survey of about 200 works by roughly 70 artists casts the Japaneseavant-garde in its most credible and provocative light to date. From the Gutai Group — a highly experimental, performance-oriented, Kansai-based movement founded in 1954 — to the post-Hirohito generation of artists who are grappling with issues of national identity, the exhibition succeeds in creating a new and viable context for Japanese art.

Indeed, "Scream Against the Sky" is character-ized by a revisionist spirit. It is also distinguished by Munroe's rigorous scholarship and sharp eye, and by a finely-tuned installation, overseen by Taro Amano, associate curator at the museum.

But the biggest triumph of the exhibition is its worthodox, at times ground breaking, selection of artists. In an art would that is deeply fragmented and political, where a predilection for documentarespected curators seem more comfortable jumping on the bandwagon than starting a trend, Munroc has taken a leap forward for Japan by giving the exhibition a highly individualistic spin. At the heart of the show is the question of what

it means to be both Japanese and modern, and Munroe goes to great pains to establish the socio-political and historical backdrop against which a notion of Japanese modernity was born. Far from imitating Western art, the show argues that through movements like Gutai and Mono-Ha (a late 1960s group that explores the essence of being Asian), the Japanese avant-garde has been moti-vated largely by anti-establishment, anti-Western sentiments. The exhibition also gives artists like On Kawara, Ay-O and Yoko Ono their due as

early innovators of international movements, like Pluxus and Conceptual Art.

"Scream Against the Sky" — the title comes from a conceptual music score by Yoko Ono — is at once thematic and chronological, beginning with a section on Gutai, which includes at least one masterpiece: Astute Tanaka's "Electric Dress," a

cosmme dengling with vibrantly painted light bulbs and electrical wires in which she performed. From Gutzi, the exhibition takes an unexpected, but important, turn toward the traditional avantgarde, introducing the bold, almost abstract, callig-raphy of Sofu Teshigahara and Yu-ichi Inoue, and the sensual vessels of Kazno Yagi from the 1960s.

In contrast with these works, the exhibition goes on to explore anti-art, anarchist and visually abhor-rent tendencies of roughly the same decade. The highlights include a series of black and white photos, at once alluring and revolting, by Shomei Tomatsu; four mixed media pieces by Testumi Kndo — dark, explosive works that explore his obsession with mutilation and deterioration of the human body. There is also a powerful installation devoted to Taisumi Hijikata, the founder of the grotesque dance form Ankoku Botoh, which has largely shaped Japan's contemporary performance art.

That the painting section is the least inspired in the exhibition, reflects an inherent weakness in Japanese art. Unfortunately, this weakness is exac-erbated by Munroe's mysteriously poor selections. Lee U-Fan, the central theoretician behind Mono-Ha; for instance, is represented by three works, two. of which are recent. All are firmsy and without any

historical relevance.
"Scream Against the Sky" will travel to the Guggenheim's Sollo branch in New York this fall and to the San Francisco Museum of Art next spring.

Carol Lutfy is a Tokyo-based freelance journalist who specializes in the arts.

## Through Buñuel's Eyes

By Michael Lawton

ONN - No one who has seen the opening of "Le Chien andalou" will forget it: the man calmly. sharpening the razor, the woman sitting emotionless, the moment when the razor appears to slide.

when the lazzi appears to shad slowly through her eye.

It was a shock in 1929 when the film was made by Luis Buñnel (who played the man with the razor) and Salvador Dali, and it's still a shock. That scene was an announcement that the audience had better not expect to look at this film in the way they looked at others, and the 26-minute movie that followed challenged their expectations to the full.
From the ants that crawl out of

the hole in the man's hand, to the two priests (one played by Dahl) and the two grand pianos loaded with the corpses of two slaughtered don-keys that the man must hanl across the room as he attempts to assault the woman, there is nothing in this film which does not awaken puzzle-ment. Bunuel had put his subcon-scious on celluloid.

But each of us has only one subconscious, and Bunnel was no ex-ception. Again and again in the films that followed, the same images returned; it was a world to which he remained true, even when he had to make potboilers in his Mexican exile in the 1940s and '50s to make ends

All of Bunner's filens are in repertory over the next two months at the Kunsthalle here. The films will be shown in new prints, made where possible from the original negatives, with newly translated German subtitles, displayed, using a new technique, beneath the picture. Le show, and Buriner's first sound film; "L'Age d'or" (1930) is on daily.

It was a challenge to put the retrospective together, since the rights to the 37 films are strewn throughout the world. Some were believed lost and many were damaged; for example, there were no complete copies of "Le Chien andalon," since projectionists had, over the years, repeatedly taken frames as souvenirs. Some of the films are only worth the effort because of the light they cast on the rest, but, says Pontus Fulten, director of the Boan Kunsthalie, even in the worst of them, there are sudden moments when Bunnel does

Miró, Max Ernst, Federico Garcia Lorca, Magritte and, above all, Dali, show how those images with which Bunnel was preoccupied were the images of an artistic movement, with the single eye taking center stage as a metaphor of dream and subconscious. Columns of stills from Bunuel's films are displayed, back-lit like church windows around the walls, while works of art related to them are shown in the

The exhibition is divided into three thematic sections: the urge to see, lust, and the urge to die divisions that link up to the preoccu-pations of the artists. There's a strong sense of a lively communica-tion between artists in that Paris of the 20s to which the Spaniards Bunnel, Dall, Miro and Picasso were attracted. But it's also revealing to note the Surrealists' sources in the late 19th century: the works of the French painter Odilon Redon or a crucifix on which a naked woman is hanging or a pendant featuring that mysterious single eye.

HE exhibition sinks you into a world parallel to that of Buinel. Sound from the films comes from loudspeakers, there's a video installation flashing scenes from screens, and several other installations, mostly featuring grand pianos
(one imaging from the caling, dropping occasional feathers to the
floor), adding a strange and appromately contrained atmosphere to

the experience. But perhaps such a concentration on Bunnel's roots in the apolitical world of the '20s and '30s, Surrealism is a little one-sided; they were roots he never denied and his film language was always deeply indebted to them, but there was more to him than that. In the 30s, he made films for the republican cause in Spain; and after his period in the Mexican wilderness in the '40s and early '50s, he placed his cinematic language at the service of a biting

social satire These later masterpieces, "Viridiana" (1961), "Belle de Jour" (1966), "The Discreet Charm of the Bourgeoisie" (1972) and others, were the first films he was able to make without having to worry about money since he had been a carefree something typical of his genius.

The retrospective is compled with
"The Eye of the Century," an exhibition in which Bunnel and his films

The retrospective is compled with
the self-indulgence of "Le Chien and alou." By then, his un-

oirs, he saw Surrealism as "a poctic, a revolutionary and a moral move-

writer based in Germany.

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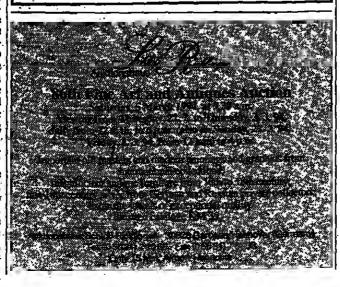
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-- Wednesday, March 2, 1994-

Room 5 at 2.15 p.m. - FURNITURE AND OBJETS D'ART. Expert: M. Tb. Portier. ADER TAJAN. 12, rue Favart, 75002 PARIS. Tel.: (1) 42.61.80.07 - Fax: (1) 42.61.39.57. In New York please contact Kerty Majsonrouge & Co. Inc. 16 East 65th Street, fifth floor, N.Y. 10021. Phone: (212) 737.35.97/737.38.13 - Fax: (212) 861.14.34.

Friday, March 4, 1994

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## Paris Is the Place for African Sculpture

ARIS - For anyone who ever thought of collecting primitive art, now is the time and Paris the place.

The African sculpture that influenced Picasso and Braque as they embarked on their first Cubist experiments, has gradually receded into the background. At auction, competition has softened, making a market where the top remains available and the lower echelon sometimes very good, almost irreistible to an adventurous mind.

Middle-of-the-road anctions such as the sale conducted on Mon-

SOUREN MELIKIAN

day by Jean-Louis Picard at Drouot deserve in be closely followed. They often include some of the art amassed in huge quantities by the French in colonial and post colonial times. In contrast to Britons, many French residents, often from modest backgrounds, had their curiosity aroused by their African surroundings. It started as an amusement and developed inin a

André Blandin, who made a ca-reer as a middle-level executive in the Ivory Coast between 1955 and 1981 and was rejuctantly selling off some of his pieces on Monday, was one of them. He traveled in distant parts of the country, buying artifacts in villages, and studying them as best he could. Most had been acquired by the mid 1960s. Blandin published some of them in 1976 in slim brochure, "African Art, a Selection of Two Private Collections.

Did he have a commercial purpose in mind? Almost certainly not. A dealer who paid visits to Blandin while the latter lived in Abidjan reminisces: "You would always see something that could be bought. On the other hand, there was his collection and that was absolutely not for sale."

HAT some pieces pub-lished in "African Art" found their way into Drouot's sale does not disprove the point. In the world of collectors, the barriers between buying for art's sake and occasional dealing can get hazy. This seems to be particularly true with African art where acquiring the objects is part of the learning process. You discover artifacts of a previously unrecorded type, as you buy them. This can give a pleasure as intense

Blandin kept researching, an in-terest shared by his wife who taught in a secondary school. In 1988, he published a study on West African bronze making, "Bronzes et autres alliages," followed in 1992 by another on ironsmiths, "Fer noir d'Afrique de l'Ouest."

The discovery instinct is strong among the French and may explain the extraordinary attendance at Primitive Art sales in Paris in contrast to London or New York. On are placed in the Surrealist universe.

Works by artists such as Picasso, Miró, Max Ernst, Federico Garcia came to despise Dall's elevations.

Monday, the room at Droug was packed beyond capacity with dealers and collectors, including Blandin. Even though many bought nothing, they followed the proceedings with intense concentration came to despise Dall's elevation.

an art-form of value-free self-adver-tisement. As he wrote in his mem-cry one knew everybody else, old buddies scated next in each other, sworn enemies giving each other Gallic looks. You did not need chips in be part of the game but there was something in it for anyone who cared to join. Sometime:



From left, clockwise; Baoule mask; Lobi figures; Goli mask, Ivory Coast fly-swatter.

Early in the sale the tusk of an elephant carved into a sounding horn by an Attie artist dropped dead, unsold at 6,800 francs (about \$1,160). Thinned down in order to acquire a perfect curvature, the tusk is terminated at the end with the head of a calao bird handled in geometric style that dwarfs much of modern sculpture into insignificance by comparison, It had a fine honey patina indicating age. Yet, not one bid came from the room for the piece, which carried a modest 7,000 to 10,000 franc estimate.

As Alain de Monbrison, a prominent Paris dealer, explains: "Collectors of African art are not very keen on ivory," adding after a pause, "the head is not sufficiently pretty." It seemed marvelons enough to me.

But parallels with modern art rarely make a difference, It hardly beloed a Baoule mask from the Beomi district that was sold for a modest 17,520 francs. The disk beige, pink off-white, and the Goli small black patinated figure made with bead-like eyes in low relief has mask stands halfway between the by the Abron subgroup of the Akan

sculpture is virtually overlooked.

tivated dealer and connoisseur who scribed as either from the Agni or also performs as an expert in Primi-tive Art at Drouot, says that Aime cited every one. The handle carved also performs as an expert in Primi-Maeght had a mask of the same out of dark wood with a deep, nearmodel, much finer as he recalls, that sold at Drouot in 1982 for 32,000 francs. No wonder that the dealer of Picasso and other tower-collectors and dealers loved about ing figures of modern art in post-it, however, was the detail — the World War II France was fascinat-incisions and light relief motifs at ed by the type.

seen with the eyes of a 20th-century art collector was a Goli mask. The concave disk is carved with tiny round eyes in relief, wide apart on either side of two parallel grooved bars. These cut across the disk and project well beyond, almost erasing any suggestion of the human face. Add the powdery coloring in pale a rectangular mouth. A slit allows spoofier creations in Ernst's ocuvre the tongue to appear —a rarity, the and the Cubist low-reliefs in terra-sale expert Guy Montbarbon wrote cotta made by Henri Laurens in the is one of the pieces that Blandin

irresistibly calls in mind some within the reach of many, but wantbronze mask by Max Ernst. Curied by few among the cognoscentionsly, while the impact of African

This disregard was by no means This disregard was by no means art on Cubism is much talked due to any lack of enthusiasm on about the debt of Surrealism in its their part when the occasion warranted it. Two lots down after the Pierre Amrouche, the highly cul- failed ivory born, a fly-swatter de-

black patina is topped by a stylized human head that conjures up im the back of the head, the ritual Perhaps the least expensive piece marks, the patina. The American collector Bryan Leiden, who closely focuses on Ivory Coast cultures, had made the trip, and wanted it badly. Monbrison, wanted it too. He got it for 19,162 francs, twice the high estimate, with Leiden as

Leiden then relieved his frustration by getting the next piece, a people in the Bondoukou area in the catalogue. With its horns, it 1920s. At 12,045 francs, it was illustrated in the 1976 pamphlet,

the underbidder.

Coast collector 18,615 francs. It is not nearly as good as the previous

It took the next lot, however, to trigger a real bout of collecting hu-bris. This was a couple of freestanding figures, man and woman, from the Lobi people, a confederation of related groups straddling the northern area of the Ivory Cast. Ghana and Burkina-Faso. The Lobis were revealed to the Western world by the French ethnologist Andre Labouret in his book "Les uribus du rameau Lobi," published in 1931. He calls such objects ancestor figures. In 1981, Piet Meyer took another look at the "Art and Religion of the Lobi" in the catalogue of the Rietberg Museum exhibition where the matching figures

URTHER work may be needed before the finer nuances of Lobi metaphysics — African cults are rarely considered by profes-sional philosophers —and rites can by fully understood. But there cannot be much doubt about the vigor of the feeling underlying the art. The angular stylization made more striking by the pale toning of the wood, the expressiveness of the faces, is remarkable. Amrouche, who knows the area well, says the cult survives undisturbed, with the art still alive. But it is rare in find early figures that match. In the confusion of transportation in the West, they often get separated and wrongly reassembled. Whatever the reasons, this pair created a deep impression. Two French collectors fought furiously, one eventually carrying away the prize to the time of 125,920 francs, nearly four times

At the end of the sale, Blandin seemed satisfied. He, or Picard on his behalf with the help of Montbarbon, had gotten his fellow collectors where be wanted them, and beyond in a few cases. In the big art game, this is always a nice feeling. particularly in a difficult market.

Blandin was relieved to get back a rare piece on which he was keen, a seated figure acquired in a Sikas village near the Ivory Coast border with Mali. Other unsold pieces might find a niche someday. Time in Africa is immaterial. And to a collector who spends his retirement between the South of France and a house near Blois, gazing at the ob-jects he loves, it is delectable.



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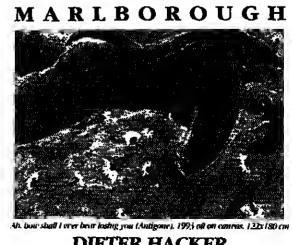
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Page 9

Capital Goods

For more information about the index, a booklet is available free of charge.

France Materiols

## New York Finds Vibrant New Role Exports of Services Take Center Stage as Factories Fade communications, popular culture and medi-

By Tom Redburn New York Times Service

NEW YORK - The long-evolving shape of New York's economy is now elearly

Mass production, whether in automobiles, chemicals or beer, has mostly disappeared from New York City and its environs. Only 1 in 16 of the 7.3 million people employed in the region still labors on a factory floor. At the same time, residents of the states of New York, New Jersey and Connecticut earn nearly 25 percent above the national average. The weight of the region has diminished to where it accounts for less than B percent of

U.S. output. But as its position in the U.S. economy declines, metropolitan New York is becoming the global economy's leading mar-Overseas business, while hard to track,

contributes much more to the region's economic life than it did a decade ago. That is because America's exports of services — New York's stock in trade — have soared more than 150 percent since 1985 to almost \$200

New York's regional economy was once the most broad-based and diverse in the United States, generating almost one of every five dollars produced in the early post-World

Now the New York region is becoming something oew under the sun. Most economic centers ship goods elsewhere and consume their services locally. By contrast, the manufacturing that remains in the New York re-gion is heavily devoted to the local market trajectory to surpass New York as the world's while its cutting-edge services - finance, law,

cine — are increasingly in demand through-out the global economy.

We're a major player in the global economy because of our services, oot because of our manufacturing," said Richard W. Roper. director of economic and policy analysis at the Port Authority of New York and New

"This region is a magnet for foreign firms that want to get a foothold in the North American market," be said. "And almost any U.S. company that wants in compete acovely in the international arena needs to have some kind of a presence here."

For the New York economy, the rapid change in telecommunications and management is both a curse and a hlessing. On the one hand, such innovations undercut New York as a capital of big business by making it easier for companies to run their affairs from Atlanta or Houston or Columbus.

But they also benefit the region: As the global economy becomes smaller, clusters of hrain workers like Wall Street's investment pankers or Madison Avenue's world-class marketeers gain a far larger market in which to sell their wares.

"What is holding New York together, paradoxically, is what is allowing the world economy to spread further affeld," said Sas-kia Sassen, a Columbia University professor who wrote "The Global City: New York. London, Tokyo,"

premier financial center. The air has since

gone out of that balloon, however. And the share of global capital that flows through New York is once again on the rise. To be sure, neither New York nor the United States will ever be the powers they

were when big companies like RCA, Exxon and IBM ruled the U.S. economy from Manhattan headquarters. The good news for the region's economy. though, is that thousands of newer, more dynamie companies are producing customtailored goods and services, from an Aragon

stereo amplifier for audiophiles to bouoque breweries like New Amsterdam Beer. Consider Magda Sole, a young woman whose 4-year-old company provides cross-cultural marketing for major U.S. corporations doing husiness abroad. The birth of the new economy from the ashes of the old came home to her in one crystalline moment last

Ms. Sole was moving her firm, Trans-Image International Communications, into a turn-of-the-century industrial building in lower Manhattan.

As she arrived to inspect the newly remodeled ninth-floor offices - now bristling with computers, fax machines and video editing ipment - movers were wrestling the last of several heavy, ink-stained printing presses on cables down the elevator shaft of the 14-

story building and off to oblivion,
"The end of an era passed right before my
eyes," she recalled, "Yet it was also the start of a new one."

The stability that temples of business like

See NEW YORK, Page 11

## The Rout Deepens in U.S. Bond Market

Compiled by Our Staff From Dispatches NEW YORK — The yield on the benchmark U.S. 30-year Treasury bond surged Friday to the highest level since late last July amid concern that faster economic growth will generate more inflation, the bond market's enemy.

The long bond yield jumped to 6.62 percent from 6.54 percent Thursday, while the price plunged 1 3/32 point, to 95 6/32. Weakness in the bond market dragged down Wall Street, with the Dow Jones industrial average closing down 35.18 points at 3,897.46.

change on moderate volume of 292 million shares.

Higher interest rates weigh on the stock market because they make it more expensive for companies to do business, and they make stocks relatively less attractive as an investment than fixed-income instruments.

"People are thinking with the economy doing so well in the fourth quarter, the odds are that inflation will be higher," said Ed-ward Yardeni, chief economist at C.J. Lawrence Deutsche Bank Se-Faster economic growth is asso-

income securities and could cause 1990, Mr. Rourke said, "I wouldn't the Federal Reserve Board to raise but on rates going below 6 percent interest rates to try to keep inflainterest rates to try to keep inflation in check.

The Fed nudged up short-term rates two weeks ago for the first time in five years. Speculation about when the oext such move might come has buffeted the finan-

process of raising interest rates, that's about it," said Stanley Rounke, a vice president at National City Trust-Kentucky.

My guess is that it's at least the

Losers led gainers by a 2-to-1 ciated with a rising inflation rate, beginning of the end," of the bood ratio on the New York Stock Ex-

next year and a half. 7 percent wouldn't be unreasonable at all." The record low long bond yield

was 5.77 percent, set on Oct, 15. "Rates are too low given the in-flatioo outlook," said Roger Marcial markets since.

"We may get some attempts at a rally, but when the Fed begins the manages \$2 billion in fixed-income assets. "I'm not going to buy a 5.75 percent bond with 3 percent infla-

oon — it's oot going to happen."

Some panie bond selling Friday
was spurred by talk that Goldman.

See BONDS, Page 10

## A Hosokawa Fan, **Mondale Now** Seems to Waver

By Paul Blustein Washington Post Service

TOKYO - Uoul recently, Walter F. Mondale, the U.S. ambassador to Japan, could be counted as one of the most enthusiastic boosters of Prime Minister Morihiro Hosokawa and a strong proponent of the view that Mr. Hosokawa's reform movement represented a hright hope for opening up Japan's

heavily regulated economy.

But Friday, Mr. Mondale sounded like a disillusioned man as he criticized Mr. Hosokawa's government for failing to deliver on a host nf economic and trade issues.

"In the political reform area, in our opinion he gets very high grades, but in the economic reform area we have not seen much by way of dereg-ulation and market opening by this government." Mr. Mondale said shortly after returning from Washington, where he attended the failed summit meeting between Mr. Ho-sokawa and President Bill Clinton.

Mr. Mondale's comments underscored the deterioration in economic relations between Washington and Tokyo after negotiations hroke down on the "framework' agreement governing trade and other hilateral economie issues.

The criocism by the formet U.S. vice president was aimed not only at Mr. Hosokawa's refusal to com-promise with U.S. demands for oumerical targets for Japanese pur-chases of foreign goods. The ambassador concentrated most of his fire on Mr. Hosokawa's lack of forcefulness in pursuing the eliminadon of burdensome regulations. Shortly after Mr. Hosokawa took

power, Mr. Mondale said, "they announced 94 deregulation measures that they themselves said were modest. They've done none of them."

But more important, Mr. Mondale said, "When we urged this government to stimulate the ecoomy, to do something to bring down the imbalance, essentially the Ministry of Finance - with the support of the prime minister's office - opposed it."

In the week since the summit Japanese makers.

meeting, Mr. Hosnkawa has launched an initiative to patch things up with Washington, ordering government ministries to produce an emergency package of proposals for deregulation, import promotion, and stricter antitrust enforcement.

The idea is to show that Japan wants to make its markets more accessible to foreign firms without resorting to the numerical targets sought by the U.S. government. But Mr. Mondale voiced skepu-

cism about such promises, stating that while the impact of the government's moves "could be very significant, we have not seen anything yet along that line."

#### Mud Starts to Fly In Dispute Over Cellular Phones

Compiled by Our Staff From Dispatches TOKYO - A dispute over limited U.S. access in Japan's cellular telephone market deteriorated into mudslinging Priday, as a Japanese official accused Motorola Inc. of

making misleading statements. Yoshio Utsumi, a Posts and Telecommunications Ministry official, said Motorola was "testing the nerves more than necessary" in an attempt to increase its market share.

"What they are doing is nothing but an extremely one-sided, intentionally misleading advertisement."
Mr. Utsumi said. "We wish they
would stop doing such a thing." Mr. Utsumi was referring to Mo-

torola's assertion that Japanese government decisions have blocked its access to Japan's market.

Motorola has a 40 percent mar ket share of the global cellular

pbooe market. On Tuesday, U.S. Trade Representative Mickey Kantor accused Japan of hreaking a 1989 agreement that promised Motorola market access in Japan "comparable" to the U.S. market share enjoyed by

### **ECONOMIC SCENE**

114.58 116.69 -1.81

Services 123.91 125.41 -1.20 Miscellaneous

Utilities 127.53 129.82 -1.76

Finance 121.21 121.45 -0.20

## As Church Sowed, So It Reaps

Consumer Goods 100.47 101.05 -0.57

114.39 115.27 -0.76

120.94 121.24 -0.25

133.13 138.95 -0.61

By Barry James

International Herald Tribune ND some fell on stony places, and lo the Church of England PLC is ruing its terrible investment strategy. The church heeded a prophetess named Margaret Thatcher and placed its talents in shopping malls and large office buildings. And it was not good. In the company bandbook, the rules are clear:
"Then he that had received the five talents went

But the Bible telleth not of negative equity. It came to pass that market forces cumins the value of the real estate the church bought at the end of the 1980s. Yea, even, the amount of its borrowings mightily exceedeth the value of its

and traded with the same, and made them other

Also, the church invested other talents into bonds when interest rates were falling, and when everyone else was cleaning up on stocks.

Verily, the £3 billion (\$4.4 billion) nest egg that Henry VIII began amassing by nationalizing the monasteries in the 16th century is now only a £2.2

This has left the venerable institution as poor as the mythical church mouse. And it finds itself obliged to consider the word according to the Harvard Business School. Downszing!

The church confessed this week that as a result

of its investment gaffes it will have to halve the £63

million it pays each year toward the salaries (an average £12,800) of its clerics.

The church payroll last year totaled £154.7 million, of which the church provided 41 percent from central funds. The rest came from parish collections and other sources.

Now, congregations will either have to put more on the collection plate each Sunday, or face merger and consolidation with neighboring parishes.

Frank Field, a Labor member of Parliament who specializes in church legislation, says this will lead to the effacing of parish boundaries that have existed since the Middle Ages.

"Gambling with borrowed money and getting it wrong," he said, has accomplished the destruction of the ancient institution more effectively even than its old enemy, Oliver Cromwell.

While the church may have to reduce its paid staff, it can call on a large supply of unpaid consultants known as lay preachers and unstipen-diaried clergy. And in admitting women to the

On the other hand, by admitting women, it has ruled out the possibility of a merger with a large conglomerate in Rome, which maintains a male-

labor in the vineyard alongside women.

and chief operating officer, Archbishop George Carey of Canterbury, complained that the product has become unmarketable because young people find it "boring."

In his new book, "Spiritual Journey," be said customers no longer appreciate the lifeless sermons, the long lessons and the dreary bymns.

staff, it has a potential pool of lower paid and part-time labor, just like industry in general.

only hiring policy. To make matters worse, the Church of England

made an open-ended commitment to compensate staff members who decide to resign rather than It came to pass also that the church's president

He said the church would do well to adopt a method that seems to work well with a monastic community at Taize in France, which he visited recently. It's called silence.

## For the Japanese, Kantor Is Dr. No of Trade Talks

By Peter Behr

WASHINGTON - Ask a Japanese diplomat wby the summit con-ference between President Bill Clinton and Prime Minister Morihiro Hosokawa failed last week and the answer usually comes back quickly: Mickey Kantor.

In the common Japanese version, it was a pugnacious U.S. trade negotiator who played the decisive role during the final, futile attempt last week to strike a deal on shrink-A.M. Friday when the last hope of ing his lunch meeting.

compromise evaporated. In an interview Thursday with Washington Post editors and reporters, Mr. Kantor said the ball is in Japan's court. "We made it quite clear what we are talking about," he said. "We are going to have a results-oriented agreement" or no

Mr. Kantor's colleagues on the U.S. negotiating team say it is un-fair to portray him as the Dr. No of the trade talks. It is just another of the basic misunderstandings that have pushed the state of economic relations between the two countries to a new low, these officials said. Japan's problems begin not with Mr. Kantor, but with his boss.

President Clinton, they add. But the breakdown of the U.S.-Japanese trade negotiations has spotlighted Mr. Kantor's combative side. It is one that served him

American Free Trade Agreement and the General Agreement on Tariffs and Trade — but has not succeeded so far with Japan.

This week Mr. Kantor took the first step toward imposing trade sanctions oo several hundred million dollars' worth of Japanese products after finding that Japan had violated a 1989 agreement to expand opportunities for Motorola Inc.'s cellular telephone sales.

ing Japan's huge global trade surplus. Ambassador Kantor intervened," said the chief Japanese negotiator, Koichiro Matsuura, describing a moment shortly before 4 would not discuss the options duration to respond to the break-down of the broader trade talks last Friday, although Mr. Kantor would not discuss the options duration to the last home of the break-down of the broader trade talks last formed to the last home of the break-down of the broader trade talks last formed to the last home of the break-down of the broader trade talks last formed to the break-down of the broader trade talks last formed to the break-down of the broader trade talks last formed to the break-down of the broader trade talks last formed to the break-down of the broader trade talks last formed to the break-down of the broader trade talks last formed to the break-down of the broader trade talks last formed to the break-down of the broader trade talks last formed to the break-down of the broader trade talks last formed to the break-down of the broader trade talks last formed to the break-down of the broader trade talks last formed to the break-down of the broader trade talks last formed to the break-down of the broader trade talks last formed to the break-down of the broader trade talks last formed to the break-down of the broader trade talks last formed to the broader trade talks last fo

"It is viewed by some as a crisis," said Mr. Kantor. "I believe you can look at this in a positive way." By being honest about their differ-ences over trade, Mr. Clinton and Mr. Hosokawa have moved their countries' dialogue onto a more honest and straightforward plane that can lead ultimately to a real resolution, Mr. Kantor said.

Mr. Kantor's successes in the past year have resulted not only from his tenacity but also his skill

A novice on trade matters when he was appointed last year, he won the confidence of other negotiators, who came to trust his ability to keep his word and deliver the

widely hailed for his key roles in hammering out strategic political

But the Japanese say they have

yet to see that side of him. The impact of Mr. Kantor's hard line on Japan is most evident in his handling over the past year of a U.S.-Japanese agreement on semi-

It is viewed by some as a crisis. I believe you can look at this in a positive way.' Mickey Kantor

conductors negotiated and renewed during the two previous Re-publican administrations. The agreement speaks of Japan's

"expectation" that foreign chip manofacturers would gain 20 per-cent of its market by 1993. Tn Mr. Kantor, it represented broad range of benchmarks that, something more than a promise to taken together, would show wheth-

met, it would be "a commitment markets to foreign goods, Mr. Kanoot kept," he told reporters last tor said. March. "It makes me more committed than ever tn make sure this agreement is adhered to," Mr. Kan-

tor said then. To Japanese listeoers, that sounded like a threat and hardened their resolve not to sign another agreement with the administration that contained other numbers that might he similarly used to justify U.S. retaliation.

Mr. Kantor said Thursday that he recognized that this fear is part of the deep misgivings between the two countries that make an agreement oow so hard to reach.

The administration is fed up with agreements that do not yield results, be said.

Mr. Clinton and Mr. Kantor have both assured Japan that the administration is not seeking another semiconductor agreement, with a single numerical target that Japan must hit. Rather, it wants a

well in last year's battles over compromises that saved the try. If the 20 percent figure is not er Japan is, indeed, opening its NAFTA and GATT—the North NAFTA and GATT accords.

NAFTA and GATT—the North NAFTA and GATT accords.

Mr. Kantor repeated these assurances Mnnday to a group of senior U.S. and Japanese husiness execu-

But he did not pass up the oppor-tunity to tell the Japanese corporate chiefs that there was nothing wroog with the semiconductor agreement, which did push Japanese semiconductor purchases up to the 20 percent threshold. It worked, he said.

One of executives present, Yo-taro Kobayashi, chairman of Fuji Xerox, declared himself "more

confused than ever. The question both sides are asking is how to build a new bridge over the mistrust that separates them. For now, at least, Mr. Kantor said Thursday, it is up to Mr. Hosokawa to make the move that

ends the impasse.
"It's going to take some creative thinking on the part of the Japanese" to put the talks back together, he said.

## NOTICE

### INTERNATIONAL PREQUALIFICATION FOR THE CONCESSION OF THE HADETH - SYRIAN BORDER HIGHWAY

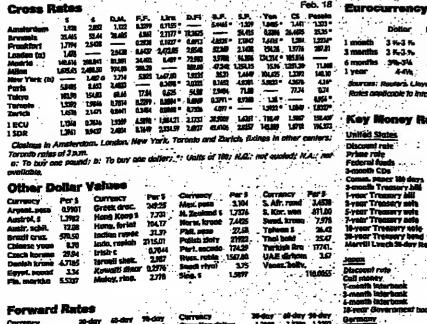
Within the framework of an international consultation, the Executive Council for Major Projects in Lebanon (C.E.G.P.) invites applicants for prequalification in the aim of primarily selecting capable companies or groupings eligible to bid for the tender at a second stage.

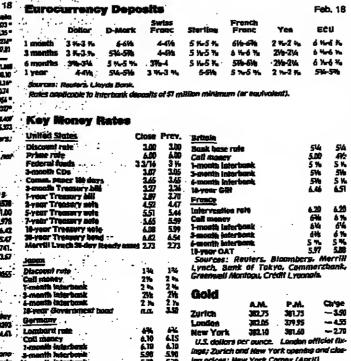
Applicants should have the capabilities to finance, construct, operate and maintain the above mentioned highway in exchange of toll fees collected from the users.

The prequalification documents shall be made available as of Monday the 14th February 1994 at the Council's Head Office located in Bir Hassan, Beirut. Applicants can collect them from the General Directorate of Administration against payment of 1,000,000 LBP (One Million Lebanese Pounds) by certified cheque in the name of Conseil Executif des Grands Projects, drawn on

The applications for prequalification must be submitted to C.E.G.P. in one complete original and one copy not later than 12:00 p.m. on Thursday the 21st of April 1994.

## **CURRENCY & INTEREST RATES**





## Blinder on List For No. 2 Spot On Fed Board

WASHINGTON — Alan Blinder, a member of the pres-ident's Council of Economic

If appointed and confirmed, Mr. Blinder would succeed Da-

Advisers, said Friday that he was a candidate to become vice chairman of the Federal Reserve Board. He said his name was "on

vid Mullins, who resigned the No. 2 Fed job. As vice chair-man, Mr. Blinder would be in 8 position to succeed Alan Greenspan if Mr. Greenspan is not reappointed when his term as chairman ends in March 1996. Mr. Blinder would be Presi-

## Bloomberg Business News

the list."

dent Bill Clinton's first ap-pointment to the Fed. He is widely regarded as a liberal who at the Fed would be a

softer foe of inflation than Mr. Greenspan or Mr. Mullins.

#### MARKET DIARY

## Wall Street Slump Depresses Dollar

NEW YORK - The dollar fell against the Deutsche mark and most other major currencies on Friday as investors bailed out of U.S. stocks and bonds.

It rose against the yen, in the meantime, amid speculation that the U.S. and Japan could resume

There's a lack of confidence in U.S. assets right now, including the

#### Foreign Exchange

dollar," said Karl Halligan, a pro-prietary trader at ING Capital Markets.

The dollar closed at 1.7140 DM, down from 1.7222 DM on Thurs-day. It rose to 104.625 yen from 104.20 yen.

Prospects for higher rates often buoy the dollar because a rate in-crease would make U.S. deposits more attractive. The dollar fell Friconcerned about the flow of money out of dollar-denominated assets, traders said.

Moreover, many dollar bulls lost faith in the currency after it failed to rally on Thursday, when the Bundesbank cut its discount rate.

"Nothing can get the dollar mov-ing higher," said Kevin Lawrie, B foreign exchange manager at Mel-lon Bank in Pittsburgh. "People are getting disappointed."

#### percent against the mark in the last two weeks, even though the Fed raised rates for the first time in five years and the Bundesbank cut Large losses against the yen also

burt the dollar during the week, traders said. The dollar started tumbling the previous Friday when trade talks between the United

States and Japan collapsed. Traders sold dollars, betting that the United States, frustrated at the bargaining table, would resume calls for a strong yen. Lasi year, the administration said repeatedly that e strong yen could curb Japan's trade surplus by making its exports

against the yen Friday after Prime Minister Morihiro Hosokawa said most to resolve the U.S.-Japanese trade dispute. The Chinton administration is considered less likely in

weekend because most of them will be away from the market on Monday for Presidents' Day, he said. The pound closed at \$1,4820, up slightly from \$1.4800 on Thursday. The dollar fell to 5.8250 French francs from 5.8545 francs and slumped to 1.4449 Swiss francs

## **BONDS:** Market's Rout Deepens

#### Continued from Page 9 Sachs & Co., one of the five largest U.S. bond trading firms, was fore-casting that Fed officials would

raise rates any day oow. But a Goldman, Sachs economist said his firm did oot expect any

Fed action until after the next meeting of the Federal Open Market Committee, set for March 22. In pulling prices down two points in two days, bond investors

#### N.Y. Stocks

didn't cozy to the government's report Thursday that consumer prices were unchanged last mooth and up just 2.5 percent in the 12 months ended in January. Last year, consumer prices rose 2.7 percent, the smallest annual increase since 1986, when prices rose 1.2

Investors shrugged off the report partly because the Labor Department changed the way it calculates the figure and partly because it is a lagging indicator — it reveals what prices were, not what they will be. Inflatioo fears were fanned Thursday by a survey of manufacturers from the Federal Reserve

Bank of Philadelphia, which said

**WORLD STOCK MARKETS** 

The dollar eked out a small gain

his administration would do its utcall for a strong yen if trade talks

## because the Federal Reserve Board

chairman, Alan Greenspan, is in begin testimony to Congress on Tuesday, the first day after a long holiday weekend. U.S. markets will be closed Monday for Presidents

Day, in addition to the drag from the Treasury bond market, the stock market struggled with added volatility because of the expiration of equity derivatives. A round of program selling also intensified losses. Stocks of companies sensitive in economic changes were among the biggest losers. These cyclical issues recently have been bid up amid signs of gathering economic mo-

Paramouot Communications cootinged to slide, losing 1% to 74% in the fallout from Viacom's takeover earlier this week. Viacom Inc. fell 114, to 2514, but Blockbuster Entertainment, indirectly linked to the Paramount deal through Via-

com, rose % to 24%.

Boeing lost % to 47% in active trading, setting back after rallying this week on news Saudi Arabia would buy commercial aircraft from it and McDonnell Douglas. McDonnell Douglas continued to gain, adding % to 120%.

beavy over-the-couoter trading



## Regional Metal Unions Seek Strike Vote in Germany

FRANKFURT - Germany's IG Metall union moved a step closer on Friday to a national strike as the last of its regional wage bargaining units declared

talks with employers had ailed. Announcing its decision, the Six regional wage councils for union leadership in North Rhine-

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mally asked the national leadership in Frankfurt on Friday to ballot members oo striking. This reflected the collapse of top-level talks between IG Metall's leadership and the employers' organiza-tioo Gesamtmetall.

Westphalia accused employers of ignoring union proposals for compromise. "Employers are obviousy intent on dismantling workers' rights and smashing wage agree-ments," the union said.

The new calls oo Friday fol-

votes now in, the central leader-ship of the union is able to fix a date for a ballot when it meets i

A ballot would take several. days, making a strike possible only in early March.

wage councils. With all regional

## Olympic Body Assails AmEx for 'Parasite' Ad

LILLEHAMMER — The International Olympic Committee on Friday criticized an American Express Co. ad campaign, accusing the company of acting as a "parasite" at the Witter Games.

The fierce argument over what the committee called "ambush marketing" stemmed from an American Express television commercial that says: "So if you're traveling to Norway, you'll need a passyout but you'den't need a construction.

passport but you don't need a vist." Visa, a rival of American Express, is an Olympic sponsor with exclusive rights to provide credit card facilities at Games venues. "American Express does no service to itself, to its members, to athletes and the American public by pretending to hide behind customer service during a blatant parasite campaign," said Dick Pound, a member of the committee's executive board.

"American Express does not require permission from Visa or the IOC to serve our card members or to let them know we are present in Northern Northern Process.

Norway," said Frank Vaccaro, spokesman for American Express.

### FTC Plays Down Dumping's Effect

WASHINGTON (Bloomberg) — Unfair trade practices such as dumping bring minimal damage to U.S. companies, according to a study released Friday by the U.S. Federal Trade Commission. reseased Friday by the U.S. Federal Trade Commission.

Less than a third of the 179 dumping cases the commission studied resulted in industry revenue losses greater than 5 percent and only 21 involved losses greater than 10 percent, the report said.

"There's lots of fanfare surrounding dumping, and this report shows bow little it really affects U.S. businesses," said Morris Morkre, co-anthor of the report and a member of the commission's economics division.

#### Venezuela Takes Over Three Banks

CARACAS (Knight-Ridder)—The Venezuelan government has taken over three other banks in the aftermath of the failure of Banco Latino, the second-largest bank in Venezuela, a Fmance Ministry official said

The government has technically intervened in Banco Maracaibo, Banco Barinas and Banco de la Construcción, and the financial institu-tion Confinanzas, since they were in danger of collapse," the official said. President Rafael Caldera said he had requested the resignations of Roger Urbina, the superintendent of banks, and Esperanza Martino, head of Fogade, the bank deposit guarantee agency. Both of them have been widely criticized, Mr. Urbina for lax supervision that led to the Banco Latino crisis, and Martino for depositing 27 percent of Fogade's funds in Banco Latino, despite rumors of the bank's shaky finances.

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Figure 1

#### Air Canada Narrowed Loss in 1993

MONTREAL (Combined Dispatches) - Air Canada, the larger of Canada's two financially troubled major airlines, announced Friday that its net loss narrowed to 326 million Canadian dollars (\$244 million) last year from 454 million dollars in 1992.

More than half of the 1993 losses were attributed to "significant one-

time provisions," including 76 million dollars to cover stail reductions. Excluding the unusual items, the loss from operations narrowed to 139 million dollars in 1993 from 358 million dollars in 1992. (AFP, Reuters)

#### Bid Launched to Save America West

FORT WORTH (Bloomberg) — The financies David Bonderman, who put together the investment group that brought Continental Airlines out of bankruptcy last year, now wants to try his hand at saving bankrupt America West Airlines, his spokesman said Friday.

Continental is a minority partner in the new investment group, which also includes two associates of Mr. Bonderman, James Coulter and Bill

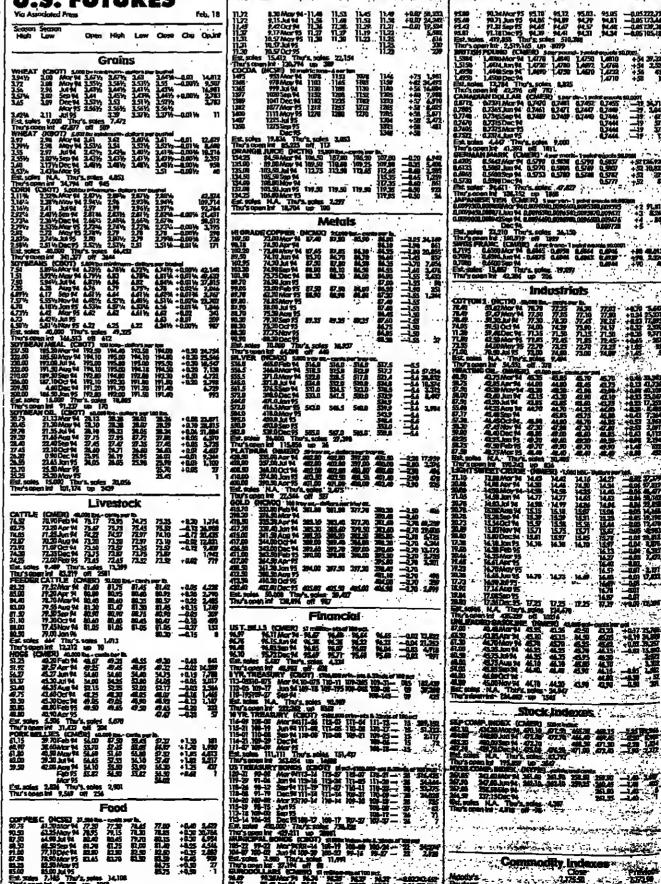
Price; Mr. Coulter and Mr. Price were also part of Air Partners, the group that invested in Continental with Air Canada.

If the new bid succeeds, both airlines would continue to operate independently, although they probably would form a marketing alliance, said Owen Blicksilver, a spokesman for Mr. Boaderman, "They could take advantage of synergies such as code sharing," he said.

### For the Record

A U.S. federal grand jury indicted General Electric Co., De Beers Centenary AG and two European businessmen on a single count of conspiring to raise and fix prices in the \$500 million-a-year worldwide industrial diamond industry. (NYT)

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## German Markets Sag Despite Cut In Discount Rate

points from the previous close of floor trading, which preceded the

Bundesbank rate cut, But it was

down 10.32 points from Thursday's finishing level for after-hours trading.

Ten-year German government bond futures for March delivery

stood at 98.15 in late trading Fri-

day, 0.51 below Thursday's close.
The Bundesbank's most impor-

tant interest rate, the repurchase

rate, or repo rate, was left un-

changed at 6 percent on Thursday, the level that has prevailed since

Nigel Longley, an institutional adviser at Commerzbank, said:

"The market was disconcerted by

the fact that the repo rate was not

cut. It was interpreted as not a

Richard Reid, an economist with

Union Bank of Switzerland in Frankfurt, predicted another dis-

count rate cut at the end of April

and another move around July. He

saw a 4 percent discount rate by the

■ Paris Broaches Rate Move

France's finance minister, Ed-

mond Alphandery, said Friday that the Bundesbank's rate cut would give the Bank of France "more room for maneuver." Agence

France-Presse reported from Paris.

"opens the door to lower interest

rates in Europe, which we all need in view of the European economic

situation." But he noted that re-

sponsibility for lower rates "now

He said the German move

early December.

end of 1994.

FRANKFURT - German stock and bond markets weakened Friday as investors reacted with disappointment to what was widely seen as only a half-hearted interest rate cut by the Bundesbank on

Thursday. After an initial surge Thursday in the aftermath of the Bundes-bank's half-point cut in the discount rate to 5.25 percent, both bond and share prices ended Fri-

Although the German move triggered a round of interest rate cuts throughout Europe, domestic markets felt cheated as another key rate, the securities repurchase rate, was left unchanged.

On Friday, the Danish central bank cut its discount and key deposit rate to \$.50 percent from 5.75 percent. Sweden cut its key margin-al rate to 7.25 from 7.5 percent, the Bank of Finland's money market tender rate fell to 4.75 from 4.95 percent and the Bank of Spain reduced its daily intervention rate by about 0.25 to around \$.55 percent.

In Zurich, Switzerland's central bank added liquidity to the money market Friday, a move seen as a signal to markets that Swiss interest rates had further to fall.

Austria, the Netherlands, Belgium and ftaly had cut rates on Thursday. But French interest rates

On the Frankfurt exchange, the DAX index closed Friday at 2,151.97, up 1.09 percent or 23.25 hes with the Bank of France."

### In Taranto, Steel Is No Longer King Giant Mill's Decline Mirrors Southern Italy's Troubles far a much-vaunted government program to create 4,000 alterna-By John Tagliabue er drains, trash bins piled high

New York Times Service

TARANTO, Italy - Day and night, the smokestacks at the big Ilva steel mill heave plumes of orange, black and white into the Mediterranean sky, a sight that once inspired government leaders to praise it as a "cathedral in the desert" that would heal a schism between Italy's prosperous north and undeveloped south.

Built in the early 1960s as part of a drive to develop southern industry, the Ilva mill is still reckoned to be Western Europe's est. But it has become a symbol of southern Italy's crisis, and a challenge to the country's imagination as it moves toward electing a national legislature whose task will be to revive the economy and quell separatist sen-

That is not to suggest that the changes sweeping Italy have by-passed the people of Taranto.

The big steel plant is part of the government's sweeping plan to privatize state industries. The war against corruption in the region is being won, and Taranto, popula-tion 240,000, has an elected mayor for the first time since 1992. when the national government threw out the old city government for corruption and installed an

But so far the changes have only stirred uncertainty and bewilderment about the future. The privatization of the mill is certain to raise the local unemployment rate, already 25 percent. And so

tive jobs has produced only 300. Worst of all, according to some people the new mayor, a building contractor named Giancarlo 80 percent off. Cito, is a hard neo-Fascist wbn uses the private television station

be owns to pillory opponents.

The plight of southern cities like Taranto and the popularity of mavericks like Mr. Cito raise unsettling questions with the approach of national elections March 27-28.

Luigi Abete, the bead of ftaly's Industry Association, warned recently that there was a "real risk" of election turmoil that would make ftaly "difficult to govern." A trudge through Taranto, a of hospitable people who readily invite visitors for a home-cooked meal and lots of the region's deep purple wine, offers a rista of economic distress.

The walk begins in the nld city, an island of boarded up dwell-ings and decaying palazzi, then runs across an iron bridge into



military buildup brought another with uncollected garbage, and spurt of prosperity. stores struggling against recession with midwinter sales of 50 to When the decline of the naval base at war's end revived unem-

ployment, the idea for the steel The steel mill was flung up in mill was born. In addition in jobs. the early 1960s on olive groves it was thought, the mill would foster a modern industrial culture and many steel-related businesses. near the city, a crash project of Rome's plans to revive the south.

The idea was repeated across They built the plant hig, in a southern Italy. In Taranto, local prevailing spirit of gigantism that businesses sprang up that relied has more recently come into on the steel mill to stay alive. question. Its output is roughly 8 Whenever politicians in Rome feared that lost jobs would transmillion metric tons of steel a year - Europe's largest

late into lost votes, they subsi-Labor leaders insist that Tadized the hlast furnaces, eveo afranto's steel production costs are ter the the coils and sheets they compelitive. But experts who produced became unprofitable have seen the plant say that proamid a general glut in Europe. ductivity is low and that acri-From 1970 to 1980, the number dents continue, with two people steel jobs rose from 9.800 to killed just this month when an oxygen line ruptured at the plant. 21,700.

But with all the major Western Ludovico Vico, a union leader, European economies stretched says he bas no doubt that the shut-down of inefficient operations thin ny recession, the 12-nauno European Union bas long since would eliminate at least 1,500 of ordered Italy to stop propping up iodustrial dinosaurs like Taranto. Like the fortunes of Taranto

A coalition of businessmen politicians and Catholic Church leaders who believe a tough oew policy is needed is emerging in southern Italy.

oorthern fully industrialized as Gianfranco Borghini, an ecopart of the Austro-Hungarian nomic policy-maker in Rome empire, the south languished un-der the haphazard rules of the from the Democratic Party of the Left - formerly the Communists Bourboo kings of Naples. ftaly's unification in 1861 re-- said Taranto offered two lessons: "First, too much help only vived the south, with Taranto. for does damage in the end. Also, what is required is less public and more private investment, to set example, becoming headquarters command and gaining thousands

#### Investor's Europe London Frankturt **CAC 40** FTSE 100 Index 2400 3400 1800 S'ON DJF Friday Close Prev. Exchange Index Change Close 432.91 -1.40 426.86 AEX Amsterdam 7,710.98 +0.55 Stock Index Brussels 2,151.97 2,128.72 +1.09 Frankfurt Frankfurt 1.942.50 .0.85 Helsinkl HEX 2.639.90 ·1.27 London Financial Times 30 2,806.40 3,425.30 -1.25 3.382.60 FTSE 100 London 343.20 +1.27 347.56 Medrid General index +2.31 Milan MIB 1,107.00 1.082.00 Paris 2,281.18. -1.29 CAC 40 1,857.33 -0.79 Stockholm Affaersveerider 1.842.74 491.74 Vienna 490.B7 1,060.51 -1.16 Zurich

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#### Very briefly:

 Sweden's largest commercial television channel, TV4, said it planned a public offering of 4 millioo shares, equal to 20 percent of its capital after dilution, at 100 kronor a share (\$12); the station plans to be listed on Sweden's stock exchange early in April.

Protorp Forvaltnings, 2 Swedish investment firm, sold its stake in Volvo AB, worth 4.3 percent of the voting rights, for 900 million kronor.

 Akzo NV, the Dutch chemical company, expects its profit to increase because winter storms in the United States spurred demand for road salt: Akzo is the largest producer of salt products in the United States.

 Pinault-Printemps, the French distribution company, plans to merge with its Groupe Redoute subsidiary via a public share exchange offer. · Spain's unemployment rate jumped to 23.9 percent during the last quarter of 1993, up from 22.9 percent in the third quarter; unemployment in January was 17.96 percent, up from 17.5 percent in December.

· Statoil, Norway's state-run oil company, and Neste Oy, its Finnish counterpart, won approval from the European Commission to merge their petrochemical busioesses into a new venture called Borealis. Kenya has reformed its foreign exchange regulations, allowing its citizens to open foreign currency accounts in the country's commercial banks for the first time.

## Paris Counterattacks on Plus

PARIS - The French government, seeking to silence accusations political meddling in the media hit back Friday at the unseated chairman of the pay-television station Canal Plus, accusing him of megalomania and fatal pride.

Andre Rousselet, founder of Canal Plus, quit Monday, accusing the conservative prime minister, Edonard Balladur, of packing the boards of major companies with spired against Mr. Rousselet, And

Interior Minister Charles Pasqua and Communications Minister Alain Carignon fired broadsides at Mr. Rousselet on Friday, in what appeared a concerted drive to protect Mr. Balladur.

"I think be has become a bit of a megalomaniae," Mr. Pasqua told Europe-1 radio.

Mr. Carignon said in a newspaper in a certain sense, pride killed him.

### **Portugal Plans** Telecoms Merger

The Associated Press LISBON - Portugal will merge its three state-run telecommunications companies and one semi-private company into a single entity to be known as Portugal-Telecom, the

Finance Ministry said Friday, Telefones de Lisboa & Porto, Telecom Portugal and Teledifusora de Portugal, along with the semiprivate Radio Marconi, will be consolidated in April, a ministry offi-

The merger date will be aunounced after the four companies' 1993 earnings are released. The merger anticipates the eventual pri-vatization of Portugal-Telecom,

### Euromobiliare Changes Hands

MILAN - Credito Emiliano SpA, a privately held Italian bank, bought a 56.6 percent stake in Euromobiliare a Milan-based merchant bank, a Credito Emiliann

spokesman said Friday. Credito Emiliano bought the stake from Hongkong & Shang hat Banking Corp. Published re ports put the price at between 40 billion and 50 billion line (\$25 million and \$30 million).

Fininvest, Silvio Berlusconi holding company, has about 5

percent of Euromobiliare.

## **Aluminum Surges to 18-Month Highs**

LONDON -- Aluminum prices surged to 18month highs on Friday as traders took heart from fresh promises to cut production. These promises, economists and traders be-

lieve, suggest that a global agreement to reduce the flood of metal into the market really could Prices on the London Metal Exchange have

risen almost 20 percent since January. On Friday the metal was priced at \$1,331 a metric ton, a rise of \$17 and the highest since August 1992. The rise buoyed the rest of the industrial metals on the exchange though those prices

later edged off a little. Last month in Brussels major western and Russian producers agreed cuts were essential to bring the world's aluminum surplus under conThree European smelters this week an-nounced aluminum output cuts totaling 93,000 tons a year, and Russian officials insisted they

the 12,000 jobs at the mill.

and regional politics.

itself, the Ilva mill's rise and de-cline have been linked to national

In the 19th century, while

for the ftalian fleet's southern

would uphold their end of the bargain.
"I was skeptical until recently," said Neil Buxton at Metal Bulletin Research, an industrial news letter. "It now depends on Russia." A global recession and surging exports from Russia, whose domestic aluminum market had collapsed along with the Soviet Union, led to a fast rise in stocks.

The latest announcements have belped calm an anxious market. It was hearing promises if cuts from several countries but little action in Western Europe, which had initially pledged to take 300,000 tons nut if the market.

The West's cuts now total around 737,000 tons while Russia has said its cuts already top 100,000 tons and should be up to 300,000 by the

end of April

"If the West cuts output by one million tons and Russia cuts exports by 250,000 tons, it would put the market balance in a 400,000-tnn deficit this year." Mr. Buxton said.

local energies free."

Stocks stand at over 2.5 million tons in London Metal Exchange warehouses alone, "But in 1995, if all cuts come through and remain in place there could be a deficit of 1.6 million tons," Mr. Buxton said.

He warned, bowever, that higher prices caused by a large deficit may tempt some smelters to reactivate idled capacity, going against the whole point of the current initiative.

The aluminum market has also benefited this week from Japanese buying, as the firm yen gave the Japanese additional buying power, and a build-up in Chinese buying after their New Year celebrations.

## NYSE

Friday's Closing
Tables include the nationwide prices up to
the closing on Wall Street and do not reflect

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sured has disappeared, to be re-

bes.

"Even more than the nation as a whole, this region is in the midst of transition," its own very painful transition," said Steven B. Schlossstein, a business consultant and economist in

Princeton, New Jersey.

Painful is right. While much of the nation emerged from recession two to three years ago, New York, New Jersey and Connecticut remained, until very recently, in a stubboru shump.

Even as the U.S. economy had

regained all the 1.9 million jubs lost n the downturn and added nearly 2 million more by the end of 1993, employment in metropolitan New York is still down 800,000 from its 1989 peak of 8.1 million.

Today, the regional economy is because of the increased automa-finally on the mend. Yet at best, tion of the industry, this does oot

Continued from Page 9 economists say, the New York urban conglomeration will not regain all its lost jobs until the end of the decade. High taxes and heavy oper-

ating costs, together with conges-tion, crime and other urban ills, will continue to hobble the region. Reginnal assets, in many cases, have become liabilities. Jnb gains will be retarded by New York's heavy dependence on the mammoth corporations now slashing their work forces for greater pro-

ductivity and competitiveness.

AT&T, Xcrox, Nynex and Pfizer are nuly the latest. And prosperity oo Wall Street oo longer automan cally translates into a stronger job

"New York City has held up well as a world financial market." Charles R. Morris, a business consultant and analyst, wrote in City Journal, the quarterly publication of the Manhattan Institute. "But

NEW YORK: Exports of Services Expand as Production Lines Shrink portend continued high levels of curplnyment and office-space consumption by the city's financial ser-New York's greatest promise

rests on the region's increasingly close economic ties to the rest of the world. Its leading urban competitors are no longer so much Chicago, Miami and Houston as London and Tokyo. Financial-service firms

acrive globally. Today, such services, along with a wide range of business and professional activities, are among the

here, for instance, have lnng been

country's fastest growing exports. Basketball Association, which are

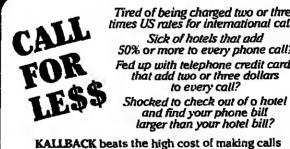
So, too, are entertainment prodicts, from MTV to the National some of the high-quality, custom-

And back on Hudson Street in lower Manhattan, TransImage's

Ms. Sole is starting in feel at home. Ms. Sole, who is 35 and speaks seven languages, co-founded the international communications and translation firm in 1990 just as the recession was in full fury. It has prospered nonetheless.

Translmage mirrors New York's diversity, its central staff of 16 come from all over the world. Most of its corporate clients, such as Time Warner and American Express, are headquartered here and looking overseas to expand.
"New York," Ms. Sole said, "is

the only truly cosmopolitan city in the U.S. We couldn't have built this headquartered here. And so are business anywhere else in the some of the high-quality, custom-world."



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Friday's Prices

NASDAQ prices as of 4 p.m. New York time.
This list compiled by the AP, consists of the 1,000 most traded securities in terms of dollar value. It is updated twice a year.

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## Sega's Hopes Of Higher Profit Are Dashed

piled by Our Staff From Dispatches TOKYO - Sega Enterprises Ltd., in a sharp reversal of expecta-tions, predicted on Friday that its annual profit would drop for the

first time in 12 years.

Sega, which vies with Nintendo Ltd. for world leadership in video games and software, made the statement in a revision of its estimates for sales and earnings for the financial year ending March 31.

The company blamed recession in Europe, a market where it has enjoyed particularly strong profit mar-gins, and the rise of the yen, which reduces profit earned abroad when translated into Japanese currency.

Sega said it now expected parent company pretax profit for the year would be around 42 billion yea, down 24 percent from 55.02 billion a year earlier and well below last November's estimate of 57.50 billion yen.

billion yen, down from a November forecast of 380 billion, but up slightly from an actual 346.94 bil-

lion the year before, Sega said.

The company's stock fell 2.7 percent on the Tokyo exchange, to close at 7,820 yen a share. In reducing its estimates, Sega said European sales during the allimportant Christmas period had

fallen below expectation exports to Europe are expected to current year.

fall about 20 percent from a year

carher, Sega said Overall, Sega's five European units are likely to incur a combined pretax loss of close to 20 billion year in the year, the company said.

Sega said that its earnings would also be squeezed by tough price competition in the United States. and by rising depreciation after heavy investment on game centers.

Industry sources said that despite all this gloom, Sega's profit was expected to recover in 1994-95 because of theme parks planned in Japan and abroad, and launches of new video game models.

Sega plans to introduce homeuse multimedia video game equipment using 32-bit microprocessing units, an improvement over the current 16-bit technology, in Japan in November under the name "Satlion yen.

Parent company revenue in equipment in the United States by 1993-94 is likely to be around 350 the end of 1994, a spokesman said. (AFX, AP, Reuters, Bloomberg)

Akai's Loss Deepens

Akai Electric Co., also blaming recession in Europe and the high yen, said Friday that it suffered a group pretax loss of 4.73 billion yen in the year to last Nov. 30, compared with a 521 million yen loss the previous year.

The company forecast its loss For the entire year to March 31, would shrink to 1 billion yen in the

## Infomercials for China Multinationals Aim at a Vast Audience

BEIJING — When a Chinese-American promoter offered 10 minutes of unfettered and virtually free air time to a television audience of up to a quarter billion Chinese, Philip Morris executives

jumped into action.

We saw this as a chance for very broad exposure to our products," said Donald Harris, a vice president who oversees the conglomerate's cigarette, beer and food promotions in Asia.

The result might best be called China's first "momercials" — those ads that are dressed up as

public affairs shows and are a fixture of American late-might television. In a marketing coup, the 10-minute shows filmed and financed by Philip Morris Cos. and six other American companies appear on the world's biggest public TV network not as product promo-tions but as "corporate profiles" on a news show. "This is not really a Marlboro commercial." Mr.

Harris said at ceremony late in January that kicked off the series at Beijing's Great Hall of the People.
"But it is about all of the products Philip Morris makes, the kind of work we do around the world, along with a bit about our management and corpo-

rate philosophy," he said.

Slick offerings in Chinese featuring General Motors Corp., PepsiCo Inc., Goodyear Tire Co., Wal-Mart Stores Inc., American Telephone & Telepraph Co. and Walt Disney Co. fill out the first batch of profiles. Transports other company first batch of profiles. Twenty-two other compa-nies are filming their own profiles.

The profiles are hard to define: Neither advertisements nor documentaries, they feature company workers discussing what they say are world-class products that management hopes to sell in China.

John Feenie, chief of Disney Asia, said he was thrilled to have what he called a China-wide show-

case for Disney's products and services.

This novel Western corporate access to China's airwaves is a measure of how much the media have changed in 15 years of market-building reforms. Once the exclusive domain of propagandists, television and radio with their vast andiences are now

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seen as a commercial gold mine. The cash-starved government is eagerly exploiting its increasingly

lucrative monopoly Commercial ads on television and radio oow give many peasants their first glimpse of China's nascent middle class with its luxurious homes, cars, cellular

phones and \$200-a-bottle French cognac.
One roaning success is Beijing Televisioo's "TV Shopping" show in which state reporters venture

We saw this as a chance for very broad exposure to our products.'

Donald Harris, a Philip Morris vice president

from store to store, breathlessly exiolling products in exchange for hefry fees.

Viewers are still subjected to tightly censored news broadcasts and plenty of sermonizing social-ist morality tales. But they also enjoy an ever-wider choice of programs.

Robert Wang, a Chinese-American entrepreneur, persuaded state-run China Central Television to air the company profiles on its "Economics Half Hour." which commands a loyal audience of 80 million and can reach as many as 250 million consumers. Mr. Wang, whose Yellow Line media consultan-

cy has an exclusive contract to produce the proams, sees the arrangement as a potentially profitable foot in China's door.

"Media is very, very important in China. It's so sensitive. Everything is under tight party control and you have to find a way in," he said. "Whoever has this inner channel is the one who will profit."

The deal is also beneficial for China Central Television, which like most other state organs is being weaned from decades of state subsidies.

## Li Weighs A Spin-off In China

HONG KONG - Cheuog Kong (Holdings) Ltd., flagship of the Hong Kong tycoon Li Kashing said Friday that it could spin off its China operations in the future but had no plan to do so now.

In a statement to the Hong Koog stock exchange, Cheung Kong said there was "no immediate plan" to float the China business, a possibility that Mr. Li mendoned to reporters at a reception on Thursday. Cheung Kong's stock rose 75 Hong Kong cents to close at 44.75 dollars (\$5.79) a share Friday. The shares of a subsidiary, Hutchison

36.25 dollars. Market analysts said a separate listing of Cheung Kong's China op-erations would spread the risks arising from the substantial cost of some of the group's plans for China.
"It will spin off its China opera-

Whampoa Ltd., gained 25 cents to

tions sooner or later to enhance its further growth," said Daiman Dai, research analyst at Nikko Securities. "Some of its China infrastructure projects such as container ports and power plants involve

quite a big sum of money."

Cheung Kong, which is one of the largest land developers in Hong Kong and has equity stakes in many publicly traded companies, is involved in real estate and power plant development in China. Hutchison Whampoa, its subsidiary, has major container port investments there.

Analysts said the port operations were highly attractive to investors who expect rapid growth in China's container-based trade.

#### Investor's Asia Singapore Straits Times Tokyo Hong Kong Nikkel 225 Hang Seng 19008 --10000 16009 & D N D J F 1993 1994 7000 S O N D J F 1993 1994 Friday Close Prev. % Close Change Exchange Hong Kong 10,825.80 10,786.50 +0.36 Hang Seng 2,334.27 2,343,01 Singapore Straits Times Sydney All Ordinanes 2,223.20 . 2,240.90 18,959,66 18,931.39 +0.15 Nikkel 225 Tokyo 1,036.73 1,072.14 +1.36 Kuala Lumpur Composite 1,455.08 1,445.20 +0.75 Bangkok 925.39 920.38 5,845,47 5,905.49 Taipel Weighted Price Manife Composite 3,051,71 3,036,74 +0.49 Jakarta Stock Index 564,69 New Zealand NZSE-40 2,284.17 2,324.91 -1.75 1,896.89 1,882.10 +0.78 National Index Bombay

#### **Very briefly:**

• Metallgesellschaft AG pledged to cootinne construction of a \$600 million copper smelter project in Indonesia in spite of the company's financial difficulties, the OPEC News Agency said.

 Tokyo Electric Power Co.'s senior debt rating was downgraded by Standard & Poor's Asia Ltd., reflecting erosion of its financial structure; the downgrading affects \$38 billioo of debt of Japan's largest electric

KDD Submarine Cable Systems Inc. of Japan made a joint bid with American Telephone & Telegraph Co. for construction of a new optical fiber cable between Britain and Japan.

Fuji Bank Ltd. of Japan has opened its first representative office in Vietnam, in Ho Chi Minh City.

 Guangdong Development Fund Ltd., which will channel investment into China's Guangdong province, will raise up to \$100 million through an initial share offering and will be quoted on the London exchange.

 Australian unions called off waterfront strikes in all ports except Sydney after a government-brokered agreement was reached with management. Reuters, Bloomberg, AFP, AF

## Hong Kong Rates Remain Unchanged Despite U.S.

HONG KONG — The Hong Kong Association of Banks said Friday it had decided to leave. deposit rates and the colony's

prime lending rate unchanged. Financial markets in the territory have been shaken in the last two weeks by concern that rates would follow U.S. rates upward, in order to keep the Hong Kong dollar near its peg to the U.S. dollar. On Feb. 4. the U.S. Federal Reserve raised the rate on overnight interbank loans by a quarter of a percentage point to 3.25 percent. ..

But Paul Selway-Swift, chair-man of the banking cartel, said Friday that it was in everybody's best interest to adopt a wait and see attitude.

## Taiwan Aero Starts Over With New Chief

Compiled by Our Staff From Dispatches TAIPEI — Tarwan Aerospace Corp. on Friday picked its third. chairman in three years, and he said he hoped to revive a muchdelayed co-production deal with British Aerospace PLC.

Jack Sun Tao-tsun, president of Pacific Electric Wire & Cable Co., was elected at a meeting of Taiwan Aerospace's board.

Mr. Sun's election comes after the government last month ordered a new development plan for the acrospace industry be drawn up.

stake in Taiwan Aerospace, a 29 percent government-owned compaoy that was set up in 1991 to spear-head Taiwan's efforts to develop an acrospace company with annual revenue of \$6 billion by 2000.

The company has been involved in high-profile talks to form joint ventures with McDonnell Douglas Corp. and British Aerospace, but oo final agreements were reached.

The Taiwan company is still trying to get a venture with British Aerospace to produce regional pas-Pacific Electric has a 5 percent senger jets off the ground, and Mr. that the military aerospace center

CAPITAL AVAILABLE

Sun suggested Friday that Boeing was considering working with In-Co. be added to the deal. donesia to produce civilian aircraft. Talks with the British company stalled in November after a dispute

arose about technology transfer.

"We have not given up hope oo the deal with British Aerospace." Mr. Sun said. He said Taiwan Aerospace rould work with the military-run

Aero Industry Development Center, which is to be converted to a state-run company, to develop Tai-wan's aviation industry.

Recent reports have suggested

donesia to produce civilian aircraft. Mr. Sun, 44, has transformed Pacific into a diversified conglomerate through varied investments, an-alysis said.

Pacific Electric Wire & Cable finalized an agreement last month to take a 5 percent stake in a wire-less global telephone network being organized by Motorola Inc.
Mr. Sun will keep his post with
Pacific Electric. He replaces Earle

Ho, who resigned for health rea-(Bloomberg, AFP)

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## China's Zhu to Visit Japan

BEIJING - Zhu Rongji, China's deputy prime minister and year economics czar, will pay a nine-day visit to Japan starting Wednesday,

the Foreign Ministry announced.

The visit's main goal is to exchange opinions," a spokesman said this week, and oo agreements

Mr. Zhu has overseen a sweeping program of financial reforms this

Last year Japan was China's largest trading partner. Chinese statistics show that in the first 11 months of 1993 Chinese exports to Japan grew 31.6 percent to \$13.29 billion Japan's exports to China surged 72.2 percent to \$19.33 billion.

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appreciate and reciprocate love, loyally failmulness, confidence and integrity; perfectly bilingual, English-French (Other languages an assett; has a university or college education, non-smoker of pet-keeper; easy-going & mild-tempered, with a tolerant, open-minded attitude, a broad outlook a universal perspective & a diversified, international socio-cultural background, having been exposed to a variety of cultural background in these areas years because the of cultures. Dreamgirl, where are you? Your Dreamboy is just dying to meet you! He is a young, handsome, affable gentleman of Middle Eastern descent, rather westernized. more like the cosmopolitan, "yupple" type. He lives & works in an international seiting, speaks four languages; is single & has always been so. He is walting for you, and looking forward to welcoming you into his life, and into his home—his own, magnificent lakefront apartment in the elegant resort town of Montreux, situated on the shores of Lake Léman in the beautiful Swiss Riviera Please write me to this Leman in the beautiful swiss striked prices of the late to the address: Poste Restante, R-3070034, Mont-Blanc, 131 Geneva, Switzerland. You never know! That letter could change your life - and mine - For Better or for Worse. If the delighted to hear from you, and look forward to meeting you.

## **Hong Kong Beckons to** Risk Seekers

O your pancakes taste better if you eat breakfast on the edge of a precipice? If you believe that danger heightens pleasure a leisurely meal by the side of an abyss might well appeal. And if you're an investor, the chances are that you find the Hong Kong stock market particularly thrilling right now.

The central difficulty for investors in Hong Kong itself — and those who use the market as a means of entry into the Chinese economy - is the fundamental ambivalence of just about everything relating to China. Some say Hong Kong is on the edge of a nasty shock in 1997 (which, when perceived by the market, will result in mayhem). Others argue that the abyss is a creature of the collective imaginations of the weak and the

The only certainty about China is that nothing is certain. Take the issue of "B" shares, the stock designated for foreigner investors in Chinese companies. There is a profound difference of opinion among international investors as to whether this stock should trade at a premium or a discount to domestically available shares. Fearing ma-nipulation, many investors stayed ont of the

ND then there is the issue of whether there should be different elasses of shares at all. Reports from China this week, citing Li Yining, a leading figure in the Chinese secu-rities market, indicate that he has called for "A" shares to be made available to international investors. But then, he has already called for B shares to be available to domestic investors, with no discernible result.

The differences between two classes of Chinese share may seem to be among the more arcane topics of international investment. Maybe, but the decision on issues such as this will provide an indication as to the real attitude of the Chinese government toward free movement of capital

It will, ultimately and most importantly, shed light on the question of whether Hong Kong investors, who are feasting so sumptuously right now, are doing so next to a shallow hole or a crevasse.

## FIRST COLUMN When the Financiers Make Money, It's Good for Markets

By Martin Baker

OW much money is there in making money? The answer to that question depends on a complex combination of factors, many of which are in an acute state of flux. Banking, insurance, credit and investment management stocks are particularly sensitive to changes in interest rates, shifts in monetary and fiscal policy, the encouragement (or otherwise) of free trade, and ever-changing consumer spending patterns. And this week, with a lowering of German rates and uneasiness over a possible trade war be-tween Japan and the United States, has given them plenty of fresh material to digest.

In a very narrow sense, some analysis view the financial sector as a microcosm of the world's markets themselves. The logic runs that if those closest to the market are making moncy, that is a sign that the markets themselves are

in good health. Mutual funds that invest in financial stocks offer international investors the chance to gain exposure to a wide variety of differing financial companies that are based in many different countries. A corollary of this is that these companies receive income in many different currencies, which provides dollar investors with an

automatic currency hedge. The returns from mutual funds show that the financial sector has indeed participated in the bull runs in the world's major markets. According to the global economics and fund investment monitoring firm, Micropal, the average return of financially invested funds (from Japan, the United States and the United Kingdom) was 26.31 percent over one year, 58.26 percent over three years, and 69.63 percent over five years for dollar investors.

The financial sub-index of the Trib Index, which is made up of the most heavily capitalized financial services stocks from the leading 25 world stock markets, outperformed the mutual funds, however. The Trib Index' financial component was up 41.44 percent on the year to

the beginning of February.

But however benign the climate may have been for financial companies recently, it must be remembered that these corporations do not do not manage themselves. Some are inevitably better run than others and are quicker to adapt to, and profit from changing economic backgrounds.

Banks in many countries, for example, have made a poor job of what is supposed to be among their prime functions -lending money.

"If you show the banking industry worldwide

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ager of Framlington Unit Management Ltd.'s inancial fund.

"I think we can expect U.K. interest rates to firm over the longer term, and that's naturally a bad thing," said Chris Jeffrey, the investment manager of Edinburgh Fund Mangers' Financial Fund. "But I don't think - at least I hope - the banks can make such a mess of their lending policy when interest rates are high again as they did the first time round."

That criticism will certainly have a familiar ring to French and American ears. The best-performing fund over one year is

managed by Edinburgh-based firm, Capital House, U.K.-based funds have been helped by the strength of the U.K. pound against the dollar over the past year. The strongest effect has been seen in those funds that have invested in U.K. companies, thus diminishing their currency exposure.

Christopher Bomford, the manager of the

one New York analyst, who insist-

ed on anonymity, on financial sector stocks.

His concern is not that small investors are losing out on quoted shares, but that the most

profitable sectors of the financial industry

aren't quoted, and so effectively exclude the

small investor.

Financial Stocks European insurers' low risk bonds

Banking on U.S. banks U.K. financial sector stock selections

Page 17 Risk-rated banks German banking stocks Funds stumbling in India

CH fund, explained that it was entirely invested in U.K. stocks, with a "fairly heavy invest

in interest rate-sensitive shares." Among the other top performers over one year, the Edinburgh Fund Managers fund is relatively strong in the United Kingdom with 61 percent of assets there. The next biggest

eightings are in the Pacific (11 percent) and that financials are cyclical, and that the ideal Latin America (10 percent)...

The Framington fund has a U.K. weighting of just 16 percent, which together with what Mr. St. Lawrence describes as a flat performance from a 45 percent weighting of U.S. stock (predominantly banks), has helped account for a relatively modest one year perior-

Qver five years to Feb. 1, 1994

Fidelity has put in creditable performances with its financial funds, particularly its Select Brokerage vehicle. But according to a Fidelity spokeswoman in Boston the manager of the fund has just been changed, and the firm therefore declined to comment on the performance

Ken Emery, a director of the London based fund group, Save & Prosper, argues that investors should take a long view on financial stocks. - certainly longer than one year. He believes

time to invest was around three years ago.

Trib Index financial component

Over three years U.S. fonds dominate the sankings. Analysts say financials benefited from the reform of the U.S banking system, low U.S. rates which fell consistently until this month, and the irresistible bull market in the United States. HE consensus view among managers

is that the cycle is entering a testing phase for financials. In the longer term we are going to have to be much more selective about which areas of the market we go into, although I think that fund manage. we go into, although I think that fund manage, ment groups and banks will continue to do well," said Mr. Bomford of Capital House.

The irony of investing in fund managers is not inconsiderable. Many fund managers consistently fail to beat the market indexes against which they measure performance. And examination of the performance of their financial finites when accommended the Trib Index financial

ds, when set against the Trib Index financial services component shows that they fail to beat the financial index too. In other words, eves when they are investing in themselves, fund managers fail to heat the index.

That said, the benefits of reducing risk by -

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spreading investment across the wide range of eccurities in which a fund invests should not be

The control of the co an international time would, and even though panies throughout the world, and even though it's a long cycle which has already turned a good way up, there's suit a good story to be told for international imancial stocks."

and the second second

Take a look at the people who are really making money today — the fund managers, the derivatives gurus," the analyst added. an opportunity to lose money by lending, it will usually take it," said Julian St. Lawrence, man-

Small Investor, on Your Guard — as Usual "They are taking up to 20 percent of their clients' profits in these raging bull markets. And can you buy any of that action? Can you HE story is the same, only the facts are different: The small investor loses out again. That is the view of

even buy into the funds? No." Chris Poll, chairman of the economics and fund investment research company Micropal, says that he classifies derivatives funds "not by investment objective, since they vary so much — they are best categorized by

Mr. Poll contends that the fee structure is a question for the individual investor to per-sonally assess. "Investors are being asked to pay a charge that's related to performance. It's an issue that needs to be examined in the

light of that performance."
Hedged and derivative funds (the learns overlap somewhat) are expected by industry.
Observes to multiply over the next few years. Many of the managers of these funds have become extremely rich as a consequence of being able to levy performance related charges. Will the pickings still be there when these small managers have become hig enough to seek a public share offering?

Martin Baker

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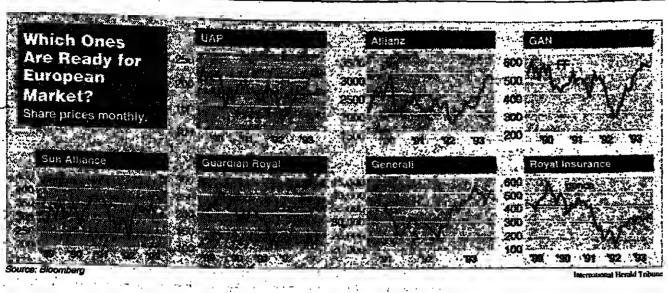
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### THE MONEY REPORT



## Problems Hover Over Europe's Insurers

By Aline Sullivan

ITHIN the next few months the French government will sell its majority stake in the flagship of the French insurance market; Union des Assurances de Paris. Who will buy? Just about everybody is the answer that the government would like to hear. Share allocations have been largely restricted to French investors, but UAP is just too big for the government to take a xenophobic attitude. The company ranks as Europe's second-biggest insurer after Germany's Allianz: Its sale is likely to stimulate investor interest in the European insurance sector as a whole:

It is a sector that has passed through some tough times in recent years. A series of Europe-an Union directives designed to liberalize the insurance industry have sparked fierce competition in certain markets, particularly for largescale industrial risks. More recently, plunging real estate values have damaged those insurers with substantial banking interests.

But insurers are often prized more for their investments than for the quality of their underwriting. Shares in many European insurers rose sharply last year, driven higher by investors eager to take advantage of economic recovery heralded by interest rate cuts. Many analysts now think the gains have been exaggerated.

Angus Runciman, insurance analyst at the London stockbrokerage Barclays de Zoete Wedd, expects problems this year as European insurers compete for market share by cutting premium rates. Only Europe's strongest companies, such as Munich Reinsurance and Swiss Reinsurance, stand to benefit from this fraces,

"Shareholders will be called on to support this war of attrition," said Mr. Runciman. "The festructuring of balance sheets that we saw last year as insurers revalued their property and equity holdings plus the plethora of capital increases that we anticipate in 1994 will only exacerbate the situation."

Michael Wheelhouse, insurance analyst at Nomura Research in London, is also bearish on the sector. "We won't see better underwriting lts coming through until 1995 and yet we are not likely to see any more big cuts in interest rates. It won't be a very good year." This view reflects the analytical consensus that the outlook for British insurers is relatively flat.

Analysis also argue that most of the good news in the European insurance sector has already been discounted. But the French government's need to stoke up demand for its long list of privatization issues may offer investors

ne tempting opportunities Robert Tann, continental European insur-ance analyst at the brokerage Credit Suisse

National markets will converge much faster than most insurers expect, giving those companies that have established a true pan-European presence a major advantage.

First Boston in London, predicted that the privatization of UAP and possibly Assurances Générales de France, or AGF, and any initial public offerings will be the best way for prospective investors to participate in the sector this year. Générale d'Assurances Nationales, or GAN, was also being touted by industry analysts as a good means of entry into the sector.

Most of the big insurance stocks are unlikely to outperform the market indices over the next 12 months although they may be worth-while longer term," said Mr. Tann.

Other analysts are more optimistic about the sector as a whole. Tim Dawson, insurance analyst at Sherson Lehman in London, described himself as "selectively bullish" about the insurance industry.

"Insurance stocks were heavily driven by net asset appreciation last year," Mr. Dawson said. "This year there will be a much lower return on assets except in Italy where Assicurazioni Generali and Riunione Adriatica di Sicurta should do well. So we have to look at earnings growth or anomalies in valuations.

Mr. Dawson is advising clients to buy shares in the Dutch companies Aegon, Amev and International Nederlanden Groep, all of which are cheap relative to the sector and should show strong earnings this year. Mapfre of Spain is also attractive thanks to the growth potential of its Latin America operations, he said.

Pension reform should prove another boon, analysts said. Enropean governments are con-fronting are tackling the problems of their mounting deficits and aging populations by encouraging reliance on private rather than state pension. That is good news for companies with established life insurance operations, such as Prudential, Guardian Royal Exchange, Sun Alliance and Royal Insurance of Britain, Vital of Norway, Maptre and Aegon.

Another consideration is currency exposure. Nomura's Mr. Wheelhouse is advising clients to buy shares in France's Axa, Sweden's Skandia and the Swiss companies because they derive sizable proportions of their earnings in dollars, a currency he expects to appreciate this year.

Mr. Wheelhouse argued that remarkably few

European insurers are ready for the single European market. National markets will converge much faster than most insurers expect, giving those companies that have established a true pan-European presence a major advantage. Among the companies possessing such a presence are UAP and the Swiss giants Zurich and Winterthur, he said,

In July this year, the last of Europe's insurance premium tariffs will be dismantled when the EU's third life and non life insurance directives come into force. For many companies, this is likely to herald an era of heightened competition and narrower profit margins. For those few companies able to bestride the continent with ease, it may just prove a bonanza.

## For U.K. Insurers, New Source of Funds

By Barbara Wall

RECENT ruling by the U.K. trade ministry gives British mutual insurers an opportunity to raise ad-ditional capital through bond issues — also known as subordinated loans which are similar in principle to the surplus notes issued by American mutual insurance

"In the past, cash-strapped mutual insurers had to rely on investment returns to fund growth," said a spokesman for the Association of British Insurers. "This new ruling brings mutual insurers into line with U.K. building societies, which have been able to raise capital through permanent interest bearing shares for some time now."

To date, only one British mutual insurer -Scottish Amicable — has taken advantage of the new facility. The Scot Am bond, which is managed by the merchant banker Kleinwort

Benson, has raised £1 million (\$1.5 million). The bond has a quoted maturity date of 25 years and the interest paid is 1.9 percentage points above benchmark U.K. government

"Likely investors in insurance bonds include other insurance companies, pension funds and sophisticated private investors." said Paul Galpin, director of Standard & Poor's European insurance ratings service.

"Provided insurance bonds offer a fairly high margin over gilts then the trade-off between risk and return would appear to be fairly

Philip G. Scott, life and pensions manager for British insurer, Norwich Union, said that while his company will not soon be issuing a bond, he believes that they represent a good investment opportunity for corporate and private clients. There is an element of risk as the interests of bond issuers would be subor-dinated to the interests of policyholders and other creditors if the insurance company collapsed," he said. "The issuer also has the right to defer interest payments at any time if its solvency margins reach unnacceptable levels. But, generally, the risk is significantly less than with corporate bond issues."

Nevertheless, a handful of mutual insurers have expressed some reservations. John Hylands, marketing general manager at Stan-dard Life, says, while we would not rule out the possibility of raising capital through bond issues we do not feel that it would be in the interests of the policyholders. The cost of raising money in this way could outweigh the benefits to our members."

As with all new ideas, insurance bonds will take time to catch on. American mutual insurers such as, Prudential Insurance, Metro-politan Life, New York Life Insurance and Scottish Amicable in Britain have led the way, and analysts predict that others will w, especially once the European third life Insurance directive, which allows mutuals to raise money in this way, is implemented in

## BRIEFCASE

#### investors! Put Your Faith Not in Man but in Machines

Man versus machine? No contest, according to E.D.&F. Man Funds Division, which is launching a new guaranteed derivatives fund aimed at international investors. Mint Plus Guaranteed 2003 Ltd. entrusts its trading deci-

sions entirely to the mechanized mind. The fund should be viewed as a true hedge fund, according to Mint's chief investment strategist, Peter Matthews, But, he added: "Unlike other hedge funds, however, the portfolio is constructed entirely by tested computer-based rules, hence providing a discipline and consistency not found in other products which rely on the discretionary judgment of the managers. The computer-driven model also has the advantage of being able to track all of the markets simultaneously, always aware of and able to react to changes in value, trend and risk levels.

The firm says it hopes to achieve "substantial medium-term capital appreciation," by investing in a wide spread of equity markets, stock indexes, interest rate instruments, interbank foreign exchange forwards and commodity fu-

The fund seeks to raise \$20 million, and the minimum individual investment is \$30,000. Charges are "complicated," according to the firm, which suggests that investors investigate the structure for themselves. In outline, investors pay managers an incentive fee of 15 percent of gains, once they have attained a certain

ED&F. Man advises on investment for more than \$1.2 billion of assets, and has offices in 42 countries. For more information, call E.D.&F. Man in London at (44 71) 285-3200. "The rapid growth of the biotechnology industry in recent years means that there are now

#### Scudder Stevens Proposes Way to invest in Argentina

No doubt about it, emerging markets are getting a big push from Western fund groups. The latest is U.S. investment manager Scudder, Stevens & Clark, which is launching a new issue of shares in its Argentine-invested closed-end

fund. The Argentinian Fund Inc. The fund is currently listed on the New York Stock Exchange and has assets of about \$90 million. The manager has filed a registration statement with the Securities and Exchange Commission for a listing of a further 4 million shares, three-quarters of which will be offered in North and South America. The rest of the shares will be offered to international investors. Subject to regulatory clearance, the new tranche is expected to be offered for sale in

Spread Around Biotech Risk Through a Rothschild Trust

Biotechnology stocks are not as fashionable as they once were, but still attract plenty of interest, A new fund will be available in April to enable international investors to tap that market, with the launch of Rothschild Asset Management's International Biotechnology Trust, The managers aim to provide investors with long-term capital growth by investing in the biotechnology sector worldwide. The fund's strategy will be to invest in companies approaching an initial public share offering, or who have recently been listed.

a large number of companies with products at a relatively advanced, and therefore less risky, stage of development," said Jeremy Curnock Cook, a director of Rothschild Asset Manage-

"The final few years before the launch of a product often require the highest development expenditure and hence there are a number of opportunities in this area."

For more information call Rothschild Asset Management in London at (44 71) 280-5000.

#### U.K. Fund Manager Finds Side Door to Private Firms

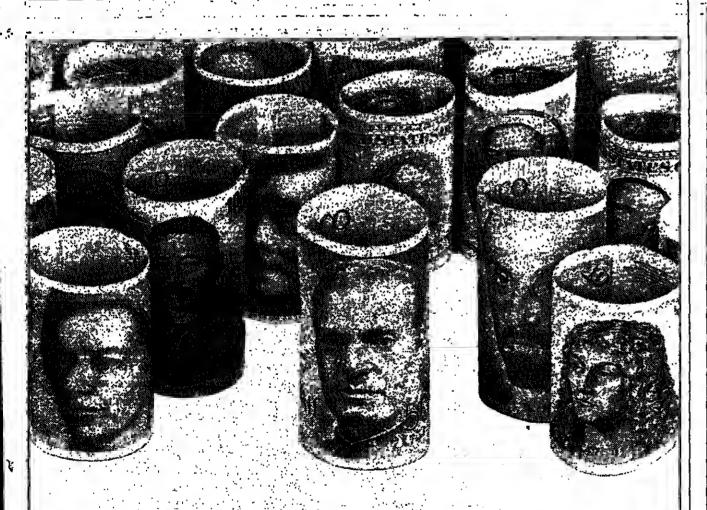
U.K. fund manager Foreign & Colonial Ventures is offering investors a side door into equity risk investment. The management firm is launching a closed-end mutual fund that will invest in private [unquoted] companies, which the firm believes are often valued at a significant discount to comparable quoted compa-

For more information, call London (44 71)

#### Correction: Micropal-IFDC Japan

Micropal's performance figures for one of the funds listed in last week's article on bottom fishing were wrong. IFDC Japan returned \$58.27 for every \$100 invested through the year of 1990, a performance which would have taken it out of the listing of worst-performing funds of the year. The performances for 1991, 1992, and 1993 were \$99.82, \$76.87 and \$120.66 re-

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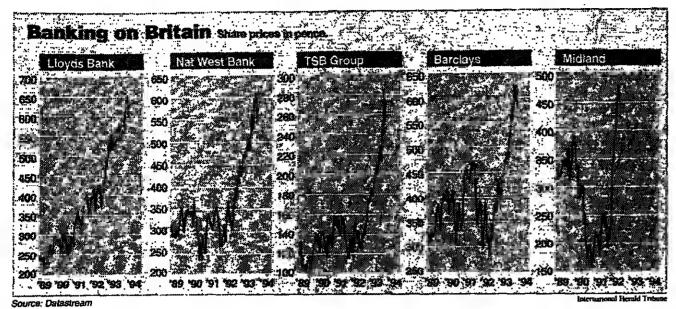
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### THE MONEY REPORT



## Despite Experts, Financial Stocks Rise

By Rupert Bruce

NYONE who bought British financial stocks prior to the pound dropping out of the European exchangerate mechanism in August 1992 should be pleased. Taken as a whole, the sector - which includes banks, insurers, and investment managers - has performed bandsomely and soundly beaten the stock market average.

But many of the experts now say financial stocks have gone far enough. A recent survey found that more investment managers disliked financial stocks than any other sector in the British market. Yet when Smith New Court, the broker that commissioned the survey, examined analysts' earnings estimates for the sector, it found that they were subject to greater upwards adjustments than any other.

So, while the stocks were widely disliked on the one hand, their share prices were under considerable upwards pressure on the other. This contrast caused Smith New Court's team of market strategy analysts to conclude: "This suggests that investors are trying to call the peak in the cycle and the danger is they are far too early."

The sector shot up after the pound's devaluation largely because falling interest rates were judged to be good for profits. In the case of banks, they would ease the pressure on hardpressed borrowers. Both small businesses and property developers had been going bust by the dozen and the banks' profit and loss accounts had been devastated by provisions for bad debts. But once lower interest rates came through, the scale of provisioning eased.

The British recession also prompted banks to streamline their branch networks. Barclays, for example, is cutting its British staff by 21,000 people - about a quarter of its employees -

In the half-year to end June 1993, the last period reported, it earned before taxes £335 million (\$493 million). That compares with a loss of £242 million in the 1992 fiscal year. Merchant banks' pretax profits have re-

bounded with the stock market. Their brokerage operations have benefited from strong equity and bond markets and high levels of activity. Investment management companies --- many

of which are subsidiaries of British merchant banks - have also performed well with the stock and bond markets. As returns on British deposit accounts have fallen with short-term interest rates, investors have transferred their savings to stock and bond funds. The better these markets bave performed, the

more money has been transferred. Both life insurance and composite insurance companies' profits are also helped by rising stock and bond markets. They invest their premiums in the stock and bond markets until such time as they may be called upon to pay out. Obviously, if the markets rise strongly, they are more likely to have a surplus over their obligations.

Life insurance companies have also taken flight capital from deposit accounts because many of their products are quasi-investment products. The Association of British Insurers disclosed last week that sales of single premium insurance policies rose 23 percent in 1993.

Falling interest rates also help composite insurers because they face fewer losses from mortgage indemnity contracts as fewer householders default. In addition, these factors have combined with a switch in the insurance cycle. Motor vehicle insurance rates started to harden in 1991 and commercial insurance rates in

Of all these types of stocks, fund managers are most bearish on the banks, which, strangely enough, are experiencing the largest upgrades in brokers' earnings estimates. It is generally between 1991 and 1995. The impact of falling accepted that British interest rates are pretty bad debts and cost savings is clear at Barclays. close to the bottom, so there will be no room for

improvement, but there may still be gains from

Anthony Bolton is a senior fund manager at Fidelity Investments, the British offshoot of the U.S. mutual fund giant. Unlike the majority of investment management companies. Fidelity does not examine stock markets sector by sector, but just looks at individual stocks. The only two to bave Mr Bolton's eye among all the financials are Barclays and National Westminster: "Recovery in the bad-debt situation combined with a cost cutting program is, we feel, quite powerful for the bottom line, and not fully discounted by the stock market."

Second to the commercial banks in terms of being out of favor yet constantly having their earnings upgraded are the merchant banks. It is difficult to find anyone with a good word to say about them.

"In the merchant banks there might be some concern that the ratings could slide as well as the earnings," says Phillip Gibbs, an analyst at Barclays de Zoete Wedd, a U.K. investment

Concerns about merchant banks center on their reliance on proprietary trading, or trading their own capital, for a significant fraction of their profits. Earnings from this area are notoriously erratic. Analysts also say there is not much merger and acquisition work around in London to occupy the corporate finance de-

As for investment management companies. they are generally thought to be plays on the British stock market. So, if you think that it will continue rising, then you should buy these

Similarly, one could say that the whole sector was a way to bet on the British economy. The investment managers surveyed by Smith New Court might then be saving that the prices of financial stocks fully anticipate the recovery in the British economy. But if you thought they had underestimated it, and the size of the earnings upgrades suggest they may have done, then you should buy financial stocks.

## Banks: Learning the Lesson of the '80s

By Conrad de Aenlle

N increase in interest rates, such as the one engineered two weeks ago by the U.S. Federal Reserve Board, usually makes shareholders of bank stocks quiver. No need, at least not yet, say those who follow the industry. Banks are in such good shape, they say, that even if the multiyear period of easy money has ended, they ought to continue to thrive.

What is so right with banks is that for the first time in a long time, nothing is wrong. The outlook is as bright for money-center

banks as I've seen it in a decade." said an enthusiastic Brent Erensel, who follows big banks for UBS Securities. "Throughout the 1980s you had something hanging around their neck, now there are no disasters on the horizon. That's what makes this truly refreshing.

After the crises of the early 80s, when banks made too many loans to too many poor credit risks, they learned their lesson — they cut back lending and immersed themselves in activities that would generate a steady stream of fees. The most recent "blunders" in Third World

ending and commercial real estate lending, Mr. said, "are behind us, and capital, reserves and operating earnings are at very high

"The outlook for trading, derivatives and underwriting is very good," he said. "In terms of basic corporate banking, wholesale lending to blue-chip corporations, the outlook is less

Some banks, he noted, are building that part of their business back up. That's what Bank of America is attempting to do with its \$2 billion bid for Continental Bank. But others, such as Citicorp, Chemical and Chase, are empha consumer banking, where the spread is wider between what they pay for money and the rate at which they lend it back out.

Although lending may be increasing, the reound has not been particularly strong, said Nancy Stroker, an analyst at Fitch Investors

"I haven't seen much evidence of it, but it has

to be increasing," she said. "Consumer borrowing, which is two-thirds of activity, is picking but corporate loan demand, I don't see being that high. Businesses have been cantious about raising funds."

As banks get stronger and diversify away from lending, they become less sensitive to changes in interest rates. The Fed's decision to nudge rates higher, the first such move in several years, abruptly sent financial stocks lower. But as long as the Fed does little more than nudge, many analysts doubt that rising rates will do the companies much harm.

An environment with rising rates, said Mr. Erensel, "is less positive than a steeply inverted yield curve with record low rates, but the fact that this has been widely anticipated puts banks in a better position to protect themselves than they ever have been." That outlook would change, he warned, "if the rate rise were swift.

and intense."

Smaller, regional banks may actually do better as rates increase, said Nancy Bush, who follows the group for Brown Brothers Harriman. "Slowly, modestly using short-term rates will actually help my companies," she said, because of banks' tendency to be agonizingly slow in passing on higher rates to depositors with ratcheting them up at the first opportunity to horrowers. ty to borrowers.

Regionals have most of their assets in variable rate loans and get most of their money from customer deposits," she said. With little of

their funds tied up in fixed-rate loans at low rates, they will feel little poin if rates rise. While the impact of higher rates may not greatly harm banks profitability, their effect on

share prices may be harsher. "Less than 5 percent on this year's earnings are at risk on a 100-basis-point rate rise," said Jim Schmidt, manager of the John Hancock Freedom Regional Bank Fund, who forecasts average earnings growth in the industry this year of 10 percent. "However, lots of investors are worned. It would hart stocks because of market psychology.\*

Catherine Murray of J.P. Morgan is less sanguine than the others about interest rates and their impact on bank shares. "We're looking for the federal funds rate to rise about 100 to 150 basis points during the course of 1994," she said. "I don't think that's fully priced into the market yet. If that comes about, we'd expect bank stocks to trade down. We'd be looking for about 10 percent below

current levels, maximum." If that happens, she added, traders are not likely to distinguish between those banks that would be truly damaged by such an increase and those that would weather it in better shape.

Banks tend to be viewed as interest-ratesensitive stocks," the analyst said. "Some are more sensitive than others, but the market doesn't always differentiate among them. When they trade down, they do it as a group."

Even without the jarning rate rise that Morgan's researchers are expecting, she said there's going to continue to be a lot of uncertainty on rates, and that's going to hold bank stocks down."

All the same, should the group correct, she would be willing to step in and buy some of those issues with diversified businesses and minimal rate exposure. Two she mentioned are Norwest Corp., a commercial bank in Minne-apolis, and Fifth Third Bancorp, a super-reional in the Midwest.

The ones Ms. Bush likes are Fleet Financial Group in New England, which has "tremendous inroads to make in cost savings," and First Union a Southeastern bank that is consolidating its operations after a round of mergers.

Other favorites are Keycorp, which Mr. Schmidt also likes, First Fidelity and PNC Bank Corp.

Others on Mr. Schmidt's list include First of America Bancorp in Michigan, which he said is a very low-risk play because it operates in less

a very low-rise play because a operation competitive markets, and Integra, which he finds a potential acquisition candidate.

Looking at the bigger banks, Mr. Erensel is fond of Chemical, which through ownership of Texas Commerce Bank offers a play on the expected increase in trade with Mexico. He also likes Bankers Trust, which he calls "a pure play on trading and derivatives," the latter a business that is growing at 25 percent a year and in which Bankers Trust is a world leader.

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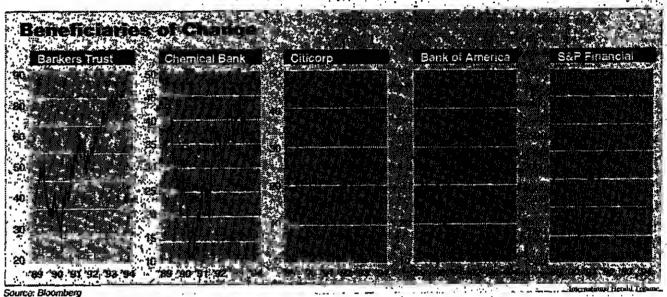
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## عكذامن الأصل

## THE MONEY REPORT

## Gaze of Investors Turning to India The Risks of a New Market

The state of the s

By Kevin Murphy

qualified bonus for the ment of new shares in January. Western management companies leading the inward rush of investment capital. A rash of new Indian and subcontinent equity funds has appeared in step with changing perceptions about an economy on an upswing. The newcomers join a small group of established funds

story. Along with the developing for fear that it could not invest it all boom comes the technical problem efficiently, and a handful of other of investing. As the Indian market India veterans, Indosuez can argue opens itself up to international in- strongly for entrusting money to vestment, problems are being experienced hands.

"We are going to see a multiyear bull run market in India," said for acted last week to slow the pace of new share and bond issues in the Fleming's India funds, which are international marketplace, citing concerns over the frenzied levels of activity, and India's overall indebt-

The avalanche began at the turn of the year. Net foreign investment was \$1 billion in 1993, with most of that coming in November and De-cember: the Indian market index vestments should perform well on has risen around 50 percent in the fundamentals for several years." past three months.

"India had been the quiet story shrug off the current trading envi-of Asia, until recently," said Ian roument could take those foreign McEvatt, managing director of In-dosnez Asset Management Asia gists re-evaluate their current Ltd. in Hong Kong. "Everyone gets excited about China, but India's potential is not far behind and it is increasingly less regulated and re-

Indosuez manages the Himalayan Fund, London and Amsterdam-listed and one of the first foreign funds to invest primarily in India when first launched in June 1990. After some lean early days when it traded at a deep discount to its net asset value and experienced buying India now and the prices of steady depreciation in the rupee, Indian convertibles reflects it," the closed end Himalayan Fund said Steven Petersohn, of Jeffries has prospered.

1993 saw the Himalayan Funds' lion. This increase came, despite an investors watched with delight 85 percent slide for the rupee as Indian convertibles, such as

against the U.S. dollar during the period, a solid enough performance combined with widening foreign T first glance the inexo- scrutiny of India to encourage Inrable rise of Indian dosuez to expand the fund by anstocks looks like an unother \$100 million through a place-

> "1994 will be a year of great opportunities in in India," said Mr. McEvatt. "But we don't think people should be going into this with their hands over their eyes. I would not be sanguine about trying to go into a country where experience counts so much."

who suddenly find themselves Trusts whose Hong Kong-based awash in cash. Like Jardine Fleming Unit But there are two sides to the funds in January at \$420 million

> athan Boyer, who manages Jardine set to grow to three in number with the addition of a New York-listed closed end fund, and a United Kingdom investment trust.

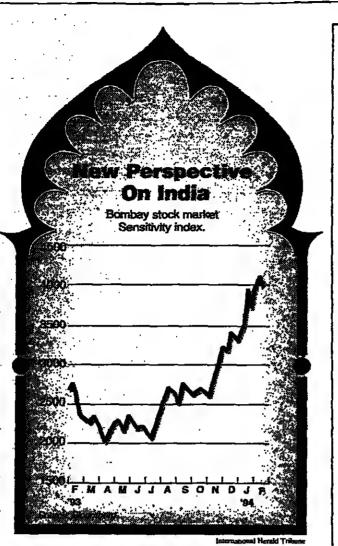
> "It's true there is a great deal more money looking at India right now," said Mr. Boyer. "But against a strong macroeconomic backdrop

> A wave of new funds willing to weightings for India which, in general, are far smaller than the economy's potential.

Direct investment by Indian stricted when the two are com-government-approved foreign in-stitutional investors, which hit \$1 billion in 1993, and another \$1.2 billion raised by blue chip Indian companies through issues of equi-ty-linked, convertible bonds and Global Depositary Receipts indi-cate appetites are growing for Indian exposure. "Fund managers everywhere are

he closed end Himalayan Fund said Steven Petersohn, of Jeffries pacific Ltd. in Hong Kong, which trades equity-linked derivatives.

1993 saw the Himalayan Funds "Convertibles are the cleanest, fast-\$100 million start-ing grow into est and easiest way to participate in into a net asset value of \$170 mil- a potentially explosive market." a potentially explosive market."



those issued in December by the cy of discouraging further issues

cement maker Gujarat Ambuja Ce-ments, rose sharply in value as their premium to the underlying share price actually expanded.
Gujarat Ambuja's \$75 million bond was issued at par on a 7.6 percent premium to the underlying

price at the time. By early January the bond had reached 140 while the anium on the bond relative to the underlying shares had in-creased to 21 percent. Generally such a scenario isn't sustained for long unless demand

greatly exceeds supply. Investors would normally switch their high priced bonds into the underlying equity instead. But it hadn't happened yet in this case because many fund managers are oot fully com-fortable with direct investment in Indian equities. How long those high premiums

remain intact depends on whether demand for quality Indian paper continues to outstrip supply. A comber of oew, big issues were expected to be launched in 1994, and were seen as a potentially stiff test for a relatively young market. Now the question is bow long the Indian government's informal poli-

will prevail. Foreign investors were only al-

lowed into India's protected stock markets in September 1992 and overseas stockbroking firms were only recently permitted to conduct correspondent broketing for overseas clients India for many investors is a leap

into a mysterious market. Not knowing many of the locally listed companies well enough to buy their equity, or unimpressed with a complicated clearing system and a 30 percent capital-gains tax on short-term trading profits, many foreigners have instead chased the paper that has been brought to them by people they already know. But, with an avalanche of money

seeking high returns pouring out of Europe and North America, and other stock markets in southeast Asia twice as expensive as they were a year ago, attention is focusing on India. And, as with most emerging mar-

kets, the best returns will found those prepared to dive into a large pool (6,000 companies listed on the country's exchanges) where few have swum before.

## A Bubble in German Bank Stocks?

By Ann Brocklehurst

ERMANY'S three main banks have sailed through the country's severest post-war recession with record profits, but despite out-performing just about every other national industry in terms of profit growth, only one of the big three banks managed to outperform the German stock market in 1993. Shares of Commerzbank posted a 59 percent gain last year compared to a 42 percent rise in Frankfurt's DAX index while Deutsche Bank rose 37 percent and Dresdner Bank climbed

Among European banking industry analysts, there is oo consensus at all on where the share prices are headed from here. Some analysis recommend the German banking sector as a whole while others expect it to underperform. Some analysis see Dresdner bank alone as a "buy," while others favor just about every other big bank. Opinion is also sharply divided on Commerzbank. And while Deutsche Bank provokes less controversy then the other members of the big three, there is no unanimity on its fate either.

Bankhaus Julius Baer in Frankfurt currently has "buys" on Deutsche, Commerz, Bank-gesellschaft Berlin and DePfa Bank, a situatioo bankiog analyst Manfred Piontka describes as "exceptional." Normally, it only recommends one German bank at a time for purchase, but because it is "very optimistic in the middle in long term" about the sector, it is in the unusual position of recommending

Many investors in German stocks have moved into chemicals, steel and now autos,

hoping to benefit from an immment turn-around after the years of shrinking profits and, in some cases, losses. Mr. Piontka noted that for banks, whose profits have continued to grow throughout the recession, the turnaround will make itself felt in reduced loan loss provisions that should boost earnings even higher.

The banks, which will report their 1993 results in March, have released 10-month results in which the respective provisions against loans losses for Deutsche, Dresdner and Commerz were, respectively, 2.46 billion DM (\$1.43 billion), 1.25 billion DM and 1.37 billion DM. A Salomon Brothers' report on German banks estimated Deutsche Bank's provisions rose to 3 billion DM for all of 1993 and then will drop off to 2.8 billion DM in 1994 and 2.3 billion DM in 1995. Salomon sees both Dresdner and Commerz following a

"As the German economy stabilizes in 1994, we expect the pace of domestic credit deterioration to be slower than in 1993," a European banking analyst, John Leonard, wrote in the report, "This already appears to be happening in Eastern Germany, where all three banks are now profitable after provi-

sions and taxes. Salomon has a "buy" recommendation on Dresdner and "holds" on Deutsche and Commerz. Dresdner Bank "remains our 10p choice based on its balance between banking and nonbanking investments and the relatively modest share valuation," the report says. "Our stance on the other two banks is also positive, but we lack sufficient near-term conviction that the shares will outperform the

market to support a 'buy' rating."
In 1993, German banks were able to more

than make up for the hefty amounts allocated to loan loss provisions with the commissions and trading profits derived from surging socurities markets. "This is one of the advantages of Germany's universal banks," Mr. Pionika said.

But the universal banks also have their disadvantages, as has recently been illustrated by the problems of the mining and metals giant Metallgesellschaft AG. As well as combining the functions of commercial banks, merchant banks and brokerage houses, German banks are major shareholders in many of the country's biggest and best-known companies, creating a concentration of financial

Both Deutsche and Dresdner not only hold major stakes in Metallgesellschaft, but they are also among its most important creditors and have seats of its supervisory board. When Metallgeselischaft announced that its losses for the fiscal year ended Sept. 30, could total 3.3 billion DM, holders of bank shares were predictably upset. While the company has now agreed to a restructuring program approved by both its German and foreign bankers, more bad oews could have a negative impact on the banks' share prices.

Michael Wheelhouse, financial analyst at Nomura Research Institute, believes that analysts basing their predictions for recovery and improved loan loss provisions on the pattern established in the 1980s recession may be too optimistic.

For me the decisive thing is that the recession in Germany is more serious this time around. I think the asset quality prob-lem is more serious," he said. "I'm sitting on the oegative side of the fence."

## The Risk-Free Option: Savings Accounts

stepped in late last year in take control of Banco Español de Credito, or Banesto, edgy depositors pulled our some 300 billion pesetas (\$2.12 billion) in deposits in the next 10 days. While it is not hard to understand the depositors' worry, it is more difficult to justify it, banking analysts say.

Despite the horror stories, stashing one's savings in the local bank remains an almost risk-free option. The main drawback is, as it always has been, the low rate of return compared to other investments.

David Andrews, director of the Londonbased bank-rating agency, IBCA Ltd., said that apart from the spectacular case of the Bank of Credit & Commerce International, with its \$20 billion of deposits fraudulently collected from 1 million people in 72 countries, there have been very few bank failures in which anyone's lost

"In the end, depositors have usually been paid off," he said, noting that all over the world, governments, central banks or other commercial banks almost invariably step in to bail depositors out and calm fears of a bank run. In the case of Banesto, Mr. Andrews said: We're telling our subscribers not to be worried

FTER the Spanish central bank in that we still give it an A-minus long term. I don't think anyone who's in there should be worried. The Bank of Spain has demonstrated

that it's eager to rescue it and keep it going."
In 1990 and 1991, after hearing repeatedly about the big U.S. banks' ill-advised lending to shaky Third World countries and even shakier First World entrepreneurs, as well as the mess at the country's small savings and loans institutions, many Americans joined a "flight in quali-

Rating Service in Washington, said this was oot necessarily a smart thing to do. "A flight to quality is not always good for the customer," be said. Those are the banks that pay the least.
"Instead of the safest banks, what the consumer wants to do is avoid the rockiest," he

David C. Cates, chairman of the Cates Bank

said. "That's better advice." But according to Robert Heady, publisher of the Florida-based Bank Rate Monitor, times have changed to the point where it is now possible for depositors to have their cake and eat it too. He says the theory about the shakiest banks paying the highest yields "was correct four or five years ago but it has now gone out

Bank Rate Monitor's list of the banks paying

the 100 highest yields in the U.S. show that 65 are rated three-star by the bank-rating organization Veribanc, 18 are two-star, three are onestar and 20 have no stars. That compares to three years ago when only 32 were three-star, 11 two-star, 14 one-star and 44 no-star,

1BCA awards its highest triple-A credit rating based either on a bank's own ments or cause it is guaranteed by the state. Including J.P. Morgan, there are currently only six banks worldwide who have earned the rating independently. They are Germany's Deutsche Bank, the Netherlands' Rabobank Group, Swiss Bank Corp., Union Bank of Switzerland and Credit

While Mr. Andrews said that companies and institutions might prefer to stick to triple-A rated banks to keep themselves safe and liquid. he does not recommend a similar strategy for private individuals dealing in smaller amounts. They would be silly not to to try to get more return," he said.

He also suggests bank customers "stay at bome. I wouldn't advise any individual to start placing money with foreign banks at all. There's not just the bank collapse risk, but the

exchange collapse risk as well. - ANN BROCKLEHURST

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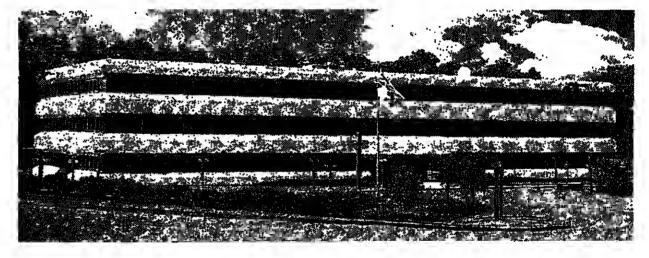
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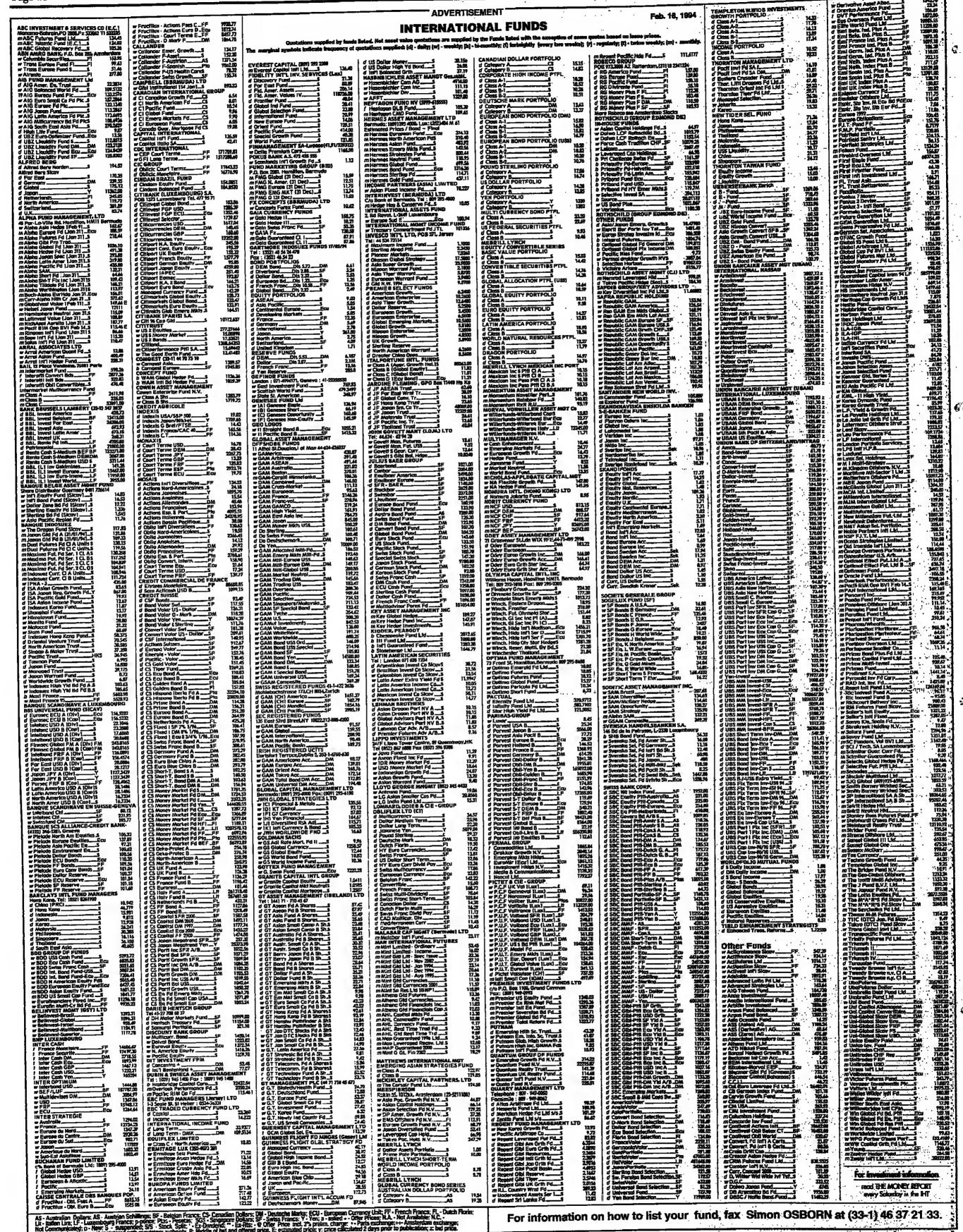
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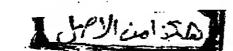
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### THE MONEY REPORT

## U.K. Firms in Asia; Tighter Money on Wall Street; Japan's Looking Up

Members of a panel of experts in economics and investment offer their opinions on the world's major economies, currencies and financial markets.



Howard Flight, director, **Guimness Flight** Global Asset Management

Over the rest of the decade, selfevidently, North America, Europe and Japan will be importing increasing volumes of manufactured goods from China, Southeast Asia, India and Latin America. Equally, all these countries will need to make massive infrastructure investments in their economies to sustain their high growth rates, while as their living standards improve, they will also be importing more hunny goods and services from the mature economies. A recent survey has estimated a doubling in the volume of trade between the United Kingdom and the Far East by the end of the

The first issue which stands out here relates particularly to Europe. The underlying commercial logic of the last 30 years behind those arguing for the necessity for Britain to integrate into Europe has been that this was where the potential lay to increase trade and exports. Ironitally, since EC membership, the United Kingdom has built up a growing trade deficit with the rest of Europe, Notwithstanding, there is clearly some logic in thinking of Western Europe, collectively, as a large "home-base" market analogous to that of the United States, dating large economies of scale, Economic trends are, howeyer, now moving in the opposite di-rection of those perceived 30 years ago. Britain and other European countries now have much greater scope to increase their trade with and exports to the fast-growing emerging economies. Indeed, it will become an economic necessity of life so to do, in order to sustain employment, and to pay for in-creasing imports from the emerging forty years.

The United Kingdom is potennally well placed in comparison with many other European economies. Britain has a heavy prepon-derance of internationally active companies. English is the main lan-guage of international trade, and Britain and Italy are the two most competitive European economies in terms of their cost bases. In general, there are good long-term instoric relationships frequently going back many years, where the door is open to the United Kingdom.

The implications of BMW's acquisition of Rover could hold out more than just intra-European prospects. From a governmental point of view, it is also clearly im-portant to give a higher priority in fostering good relations and assist-

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#### Outlook

ing British trade with China Southeast Asia, India, South Afri-ca, Latin America and Eastern Europe. A principled stand for de-mocracy in Hong Kong where the "Chinese hongs" who control Hong Kong are already sorting out the future political arrangements with Reijing looks to be question-able, at least commercially, and the Chinese government cannot afford, practically, to permit a democratic overnment in what will become an important part of South China

without tempting the whole of Southern China to secode. Historically, the United King-dom has a long and successful tradition as a "city-state" involved in global trading and still has the highest level of trade in relation to gross national product. So far, the United States seems to have got the message" more effectively, althe message" more executively, al-ready a large number of major in-frastructure exports and projects are coming up weekly, where the United States is winning a high proportion of the business. The U.S. government also has the "le-verage" advantage in many cases of the williage pumberlla.

its military umbrella. From an investment point of view, five points stand out.

Those North American and European companies which are well-run and well-placed in winning major infrastructure contracts should show substantial profit

 It is good economic news for the world that there is already a rising trend for infrastructure imorts by the emerging economies.

It will be of major importance for both the economies and exchange rates of the economically mature countries as to whether they

The successful emerging eco-nomics will need to develop their bond and financial markets to finance major infrastructure investments where these markets are likely to become a more important part of the global financial markets more quickly than many expect— particularly in the case of Asia.

are able to exploit those opportuni-

· Where successful emerging economies have sharply undervalued currencies in terms of their "purchasing power parity," their exchange rates can be expected to strengthen materially, both as a re-sult of the deregulation of their financial markets and of basic selfinterest in reducing the costs of infrastructure imports, where higher added value exports do not need such undervalued correncies - the Japanese case study over the last



Christopher Kwiecinski, investment manager, Banque Indosuez, Global Private Banking

One of the key elements of the world investment landscape outhined at the beginning of 1994 is falling into place. Ignoring some pundits' advice to wait until "the whites of the inflation" could be seen before tightening, the Federal Reserve has begun to take the punch bowl away!

The first interest rate hike in nearly five years is an important cyclical development, for it marks the beginning of a long series of moves familiar to Fed-watchers. The market's complacency about the U.S. central bank's willingness to continue to supply liquidity should be ending, although the impact of the Fed's action on investor atiment will be felt in coming weeks. Private investors should be asking themselves whether this turning point in the U.S. interest rate cycle should lead to a strategic rebalancing of their portfolios.

First, last week's decision by the Federal Reserve should have reas-sured U.S. dollar-based investors to stay with their long dollar positions and confirmed the need to hedge their exposure into European financial assets. Nonetheless, the short-term upside potential of the American currency will be capped by the threat of the Bundesbank intervention as well as the length of its apparent panse in monetary easing. The German cen-tral bank, largely preoccupied with domestic concerns, missed an op-portunity to reduce interest rates earlier in January. This brings the question whether the expected monetary easing in confinental Europe will be sufficient to pull bond yields down to cyclical lows this year. Delays similar to the current one will trigger bond market cor-rections and also trading opportunities where the bears are likely to find headwinds, albeit less strong

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hardly shocking, its psychological effect should not be underestimated. The reversal served as a reminder that the American stock market's driving force has shifted from interest rates to earnings. In this new ase cyclical stocks are likely to fare better but positive earnings surprises will provide opportunities to sell into rallies.

As a little-publicized example, bonds outperformed equities in the United States last year and while a reversal is expected in 1994, en overall more neutral stock market position is warranted. To be sure rising money market yields are still far below levels threatening equity valuations, but if the monetary tightening does not produce a flat-tened yield curve, the risk of a correction among share prices will loom larger. Further, to the extent that higher interest rates are likely to reflect a stronger economy and rising credit demands, higher-yield fixed income securities, both sovereign and corporate, may still offer attractive prospects.

The appearance of amber lights on Wall Street carries implications for other international equity allocations. In general, the following countries have shown historically low correlations with the U.S. market returns: Japan, Australia, Germany, Italy, Spain and, among the emerging markets, South Korea and Mexico. The usual caveat about past performance applies, of course, but it should nonetheless beat the darthoard, However, the recent weeks helped underscore the sensitivity of the Southeast Asian markets in the U.S. interest rate

In contrast to many European equity markets overdiscounting profit recovery in 1994 and the U.S. market's high valuations, Japan may appear attractive. The Nikkei's current trading range, al though approaching the upper end, is still nearly 50 percent below its bubble-fueled late-1989 levels. Tokyo disappointed many fund managers in the latter part of last year amidst deepening domestic political uncertainty and dashed hopes of economic recovery. The worst of the deflationary squeeze should be over by now, the yen has turned the government has just announced an unprecedented fiscal stimulus package and optimism about re-covery in the second half of 1994 has revived. It is not surprising that investors are beginning to view Japan more favorably, particularly after the recent records on the neighboring smaller markets. Fi-nally, U.S. dollar-based portfolios should raise moderately their cash While the magnitude of the tight- levels, mainly for financing trading eming by the Federal Reserve was opportunities.

-Charles Schwab, Chairman

Charles Schwab & Co., Inc.



Anna Tong, director. Aetna Investment Management (Hong Kong) Ltd.

International investors have started 1994 with a question to one they had at the beginning of 1993: How much should they allocate to the Japanese stock market? After four years of significant under-performance, investors have begun to swing their vote toward Japan. Significant huying by American and Europeao investors has overwhelmed selling by domestic cor-porations ahead of their fiscal year at the end of March. As a result, during the mooth of January the Japanese stock market (represent-ed by the TOPIX Index) gained 13.2 percent and was 20.6 percent

above its recent low set Nov. 29. Investing in the Japanese market

shaky coalition government, which was deeply engrossed in political reform debates and seemed to be ignoring the plunge in the market and the economy. In the "old" days, the then-powerful ruling Liberal Democratic Party supported the market with repeated liscal stimulus parkages and its Price Keeping Operation. The new government's inability to enact mean-ingful reforms and its decision to be conspicuously absent from the market by not establishing a second PKO helped to shatter investor confidence. As a result, the market fell 15.7 percent in November and rebounded only slightly in Decem-

In January, however, a few forces combined to improve investor sentiment substantially. In the first half of the month, the stock market was propelled higher by significant foreign buying of export-related "blue chips," as investors became optimistic on the back of the weakening ven. In the second half of the mooth the market initially came under pressure amid continuing concerns about the goverument's ability to engender a meaningful recovery, but it raffied by 7 percent on the last day of the mooth after coalitioo reached a compromise that paved the way for an income tax cut and other economic stimuli

There is oo question that the economy remained in the doldrums at year-end, with the unemployment rate rising to 2.9 percent, intwo months ago required a certain dustrial production falling 4.5 perleap of faith. At that time, the mar- cent and department store sales

ket was extremely wary of Prime falling 6.6 percent in 1993 from a and the unspent portion of previous packages (totaling 25 trillion However, we believe that these yen), the low and falling interest gloomy statistics are already fac-lored in Japanese prices and thus replacement demand, and extremecontinue to maintain a positive ly low inflation should provide an outlook for the Japanese market environment in which the Japanese this year. Going forward, the new stock market can continue to out-15 trillion yen stimulus package perform.

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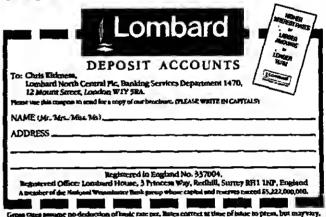
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## **SPORTS**

## N. Carolina Falls Again, No. 5 Louisville Upset

The North Carolina Tar Heels can't win when they're No. 1, and now they can't win when they're No. 2. North Carolina was upset, 77-69, at Clemson as the bumpy road continued for the top-ranked college basketball teams.

It has been a rough season at the top of The Associated Press rank-

#### COLLEGE BASKETBALL

ings, with a different team taking over the No. I ranking each of the last seven weeks. The Tar Heels have lost the No. 1 ranking three

Clemson's Jeff Brown, the best 3-point shooter in the Atlantie Coast Conference, sank five from long range and finished with 17 points. The Tar Heels led, 35-34, at alftime, but Brown gave Clemson (13-11, 4-7 ACC) the lead for good on a 3-pointer with 19:06 to play. It was the second straight defeat for the Tar Heels (20-5, 8-4), who

lost to Georgia Tech on Saturday. N.C.-Charlotte 64, No. 5 Louis-ville 62: At Charlotte, freshman anderic Downs made all four of his 3-point shots for a career-high 14 points. The 49ers (13-8, 6-3 Metro Conference) had lost five of eight coming in. The Cardinals (20-3, 9-2) had their 10-game winning

No. 8 UCLA 76, Arizona State 70: Cameron Dollar's driving layup with 57.8 seconds remaining helped lift the visiting Bruins past the Sun Devils for the 11th straight time. The Brains (18-2, 11-1 Pacific-10) converted four free throws to cinch the victory. Arizona State (12-9, 7-5) led 36-35 at halftime.

61: In Tucson, Arizona, Khalid Reeves and Damon Stoudamire had two baskets each in a 10-2 run to open the second half as the Wild- (13-8, 6-6). cats (20-4, 9-3 Pac-10) stretched a haiftime lead to 48-28. The Trojans fell to 11-10 and 4-8.

No. 19 California 80, Stanford 62: In Berkeley, Lamond Murray had 26 points, Jason Kidd 22 and

No. 15 Arizona 94, Southern Cal center Michael Stewart tied Pac-10 records with seven blocked shots as the Golden Bears (17-5, 9-3 Pac-10) avenged an earlier loss to Stanford

> Notre Dame 68, No. 22 Mar-quette 58: In Milwankee, Monty Williams scored 19 of his 27 points in the second half and Ryan Hoover added 20 as Notre Dame (10-

## A Quadruple-Double For Spurs' Robinson

David Robinson had the National Basketball Association's first quadruple-double in almost four years, getting 34 points, 10 re-bounds, 10 assists and 10 blocked shots in the San Antonio Spurs'

#### **NBA HIGHLIGHTS**

115-96 home victory over Detroit. Robinson's quadruple-donble was the first since Hakeem Olajuwon did it on March 29, 1990. The only other players with quadruple-doubles since the NBA began keeping track were Nate Thurmond in 1974 and Alvin Robertson

Heat 115, SuperSonies 112: Steve Smith matched his career-high with 32 points and Grant Long scored Miami's final six points as the Heat, playing at and two free throws with 12 sechome, ended Seattle's five-game winning streak

ed to 40 his team record for consecutive free throws, going 7-for-7. Sean Kemp and Detlef Schrempf each had 22 points for Seattle.

Bullets 109, Timberwolves 105: Calbert Cheaney scored a career-high 30 points on 11-for-16 shooting as Washington extended Minnesota's road skid to nine games.

Knicks 102, Cavaliers 95: In Richfield, Ohio, John Starks scored 32 points and made all nine of his second-half shots for New York. The Knicks, who have won five straight against Cleveland, won it with foul shots, scoring 18 of their 28 fourth-quarter points from the

Warriors 119, Hawks 115: Chris Mullin's layup with 39 seconds left put Golden State ahead for good, and Latrell Sprewell had a steal onds left to wrap up the victory over visiting Atlanta.



Eric Montross of North Carolina, left, and Andre Bovain of Clemson scramble to recover a loose ball.

## Jefferies Awarded \$4.6 Million by **Baseball Arbitrator**

highest salary ever obtained in ar- and get in the sun again." bitration when an arbitrator picked his \$4.6 million request instead of the team's \$3.7 million offer.

Ruben Sierra, then of Texas, won \$5 million in 1992. But Sierra's record is likely to fall this weekend, when the case of Jack McDowell of the White Sox is settled. McDowell Young Award. Clubs have won seven of the 13

arbitration cases decided so far. The final three were being argued lefferies said he never wanted to public testimony.

go to arbitration.
"They didn't give us much choice," Jefferies said of the Cardinals. "They set a number and said

didn't want to negotiate at all. It's a shame. No one likes going to arbi-

Jefferies made \$2.65 million in 1993 when he hit .342 with 16 home in 1990 authorized Maricopa Counruns, 83 RBIs and 46 steals. It was ty to levy such a tax. his best year by far, but still he didn't think he'd win in arbitration. langelo, leader of the investment "Put it this way: I think 99 per-cent of the lawyers would have lost Jefferies said he was leaving im-mediately for the Cardinals' train-

ing camp in St. Petersburg, Florida. He missed about a month last season because of lower back problems, but he said he has been work- Arlington. Texas, that have used. ing out since November. .

"That hasn't bothered me since ST. LOUIS, Missouri — Gregg the season, Jefferies said. "I can't, Jefferies, the St. Louis Cardinals" wait to get back. I'm glad this is allfirst baseman, won the second- over with and I can see the guys-

#### ■ Dome for Phoenix

A county board authorized ding up to \$238 million in public funds to help a private owner-ship group build a domed baseball stadium in Phoenix.

The 3-1 vote by the Maricopa. was the American League leader in victories last season and work Cy capped months of negotiations beowners, which include Nike's chair-man, Phil Knight, the Phoenix, Suns and The Dial Corp. The vote came after six hours of

The structure, estimated to cost. \$278 million, will be used as a bargaining chip in applying for an expansion team. Baseball owners.

have no current plans to expand. we'll see you in court. have no current plans to expand. "We said, Wait a minute, don't you want to talk about it?" But they sales tax to fund most of the construction would not be levied imless major league baseball awards Phoe-nix a franchise in the next round of expansion. The Arizona Legislature

> group, announced its formation. Nov. 10. Since then, the two sides have worked on how to deal with issues, including conflicting poll results on the popularity of the idea. struction of new parks in Chicago, Baltimore, Denver, Cleveland and

in the second se

E. 42. ...

MYMPIC S

### SIDELINES

#### Els and Burke Lead Australian Golf

MELBOURNE (AP) - Ernie Els of South Africa fired his second consecutive 3-under-par 70 on Thursday and shared the second-round lead in the Australian Masters golf championship with the American

Burke shot a 71 for a 140 total. Russell Swanson and Peter Teravainen both shot 70s and were one stroke back at 141.

#### Canadian Football Goes to Baltimore

BALTIMORE (AP) - Larry Smith, the commissioner of the Canadian Football League, has formally introduced Baltimore as the league's 11th franchise. The announcement came several months after the National Football League spurned the city's bid to acquire an expansion team for

the 1995 season.

The team, which cost Jim Speros \$3 million, will begin its training camp under Coach Don Matthews in June and begin its first season in July. The nickname, if Speros has his way, will be the Colts. An NFL nickname as the Indianapolis Colts (formerly the Baltimore Colts).

#### Gretchen Fraser, Gold Medalist, Dies SUN VALLEY, Idaho (AP) - Gretchen Fraser, the first American to

win an Olympic gold medal in skiing, died Thursday of natural causes at the Wood River Medical Center. She was 75.

Fraser won the gold medal at the 1948 games in Switzerland, in what is known today as the giant stalom. She also took the silver medal in the combined stalom and downhill.

#### For the Record

Lou Holtz, football coach at Notre Dame, denied a Florida newspaper report that he was a candidate for the bead coaching job for an NFL

expansion team, the Jacksonville Jaguars.

(AP)
The Green Bay Packers' injured linebacker, Brian Noble, retired Friday from pro football, and said he would become a broadcaster. He had an injury to his right knee that required reconstructive surgery. (AP)

## **SCOREBOARD**

## BACKETBALLER **NBA Standings**

Mey York 17 25 30 24—162 Cleveland 24 30 25 28—162 N.Y.; Ewlog 8-17 6-622, Storks 13-152-3 22 C: Dougherly 6-13 10-11 22, Price 8-16 2-2 20, Re-bounds—New York 44 (Ewlos 91), Cleveland 54 (Hill 15), Assists—New York 26 (Storks 7), Cleveland 24 (Erica 17)

Indiana 16 21 22 25—84 Deltos 17 18 14 22—75 (; Miller 8-13 3-4 22, Flemfing 6-12 7-8 19, 0) Mashburn 6-18 3-4 17, Jockson 6-17 2-3 14, Rebounds—Indiana 57 (D. Davis 16), Dallas 61 (Jones 11), Assists—Indiana la marchia

Son Antonio D. Elicht 9-21 2-2 28, 71 34-315 D. Elicht 9-21 2-2 28, Hunler 12-24 2-3 24, 5; Robinson 12-20 10-17 34, Del Neoro 9-17 5-5 23. Rebounds—Defroit 34 (Mills 16), Son Antonio 54 (Rodimo 22), Assista—Defroit 9 (Mills, Elletti, Houston, Hunler 2), Son Antonio 31 (Robinson) 38 27 24 26—115 State 33 32 23 31—119 kins 13-28 7-7 38. Willis 8-12 4-4 29. G:

Nebber 10-14 1-4 21, Sprewell 5-20 7-10 20, Re-resputs — Attento 55 I Willis 101, Golden State 64 (Webber 12). Assists—Allanta 30 (Blaylock 6), Golden State 15 (Johnson: Sorewell, Muliin 7). Major College Scores

Clement 77, North Caroline 69
Coli. of Charleston 99, SE Leobic
Coppin St. 88. S, Caroline St. 74
Georgie St. 78, Semiord 55
Md.-E, Shore 64. Howard U. 56

Chicago St. 112, Cent. Cor

lithets St. 78, Wichite St. 47 Michigan St. 68, Northwestern Notre Dome & Marquette St

Brightum Young 94, Air Ferce 22, Cal St.-Fulberton 84, UNLV 75 California 86, Stoniford 62 Montana 94, N. Artzana 85 Montana 51, 85, Weber 51, 81 Nevada 73, UC Santa Barbara 67 New Mexico 85, Son Diego 51, 61 New Mexico 85, Son Diego 51, 61 New Mexico 51, 90, UC Irvine 69 Oregon 84, Woshington 71 UCLA 76, Artzana 81, 70 Utah 51, 80, Long Beoch 51, 76, Of Washington 51, 161, Oregon 51, 64

SECOND ONE-DAY INTERNATIONAL

ladia vs. Sri Lonia Friday, in Hyderobad, India ka inninese see " " "

CALVIN AND HOBBES

Brown 15 (Sandstrom, McEuchem); pro-sets B (Verbeck, Pronger); (pp), Second Perf-od: H-Verbeck 29 (Nylander, Sanderson); P-Murphy M (Stevens, Toccheft); P-McEuchem 9 (Sandstrom), Taled Period: H-Nylander 10 (Sterm); P-Sievens 32 (Toccheft, Francis); Stevens); P-Sievens 32 (Toccheft, Francis);

Henr Jersey 4 8 1-1 Tercents 6 2 6-2 

33 6 44 771 285 Libraries (pol), V-Borry 34 (Ronning, CourtLibraries) (pol), V-Borry 34 (Ronning, Courtpolity) (pol), Second Period: C-Russell V.R.;
Suffer, Lemisucy); C-Dubinsky 1 (R. Suffer, Shorts); V-Limmin 9 (Linden, Ronning),
L. T. Ph. GF. GA.
Third Period: V-Monnesso 12 (Craven, Ad-

uns), 39ers or 'seel'. V. (er. Beffour) 15-4-12-33. C (er. Whitmore) 10-17-28. Quebec 3 2 2-4 Son Jose 1 1 8-2 First Paried: S.J.-Gorponios 12 (Norton). Ratifiel's (ppl. Q-Komensky 18 (Sondin, So-kic): Q-Ricci 15 (Butcher): (sh)Q-Ricci 16 (Young, Rucinsky). Second Paried: Q-Ru-(Young, Nuclesky), Second Period: G-Ru-chinky 9 (Fruser, Solid); G-Ricci 17 (Solid); Sjadinj; (ppl. Q-Ricci 18 (Hossen, Fruser); SL-Ellik 15 (Fullous Duchelani); Third Peri-od: Q-Rucci 19 (Hossen); 10-Young 17 (Ru-cinsky), Shais on gool: Q (on Irlo, Walls) Yr-19-11—48, S.J. (on Fisel) 5-6-92.

TRANSACTIONS

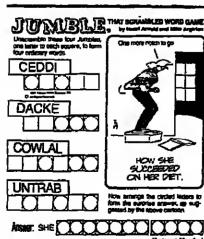
Tockett, cotcher, on 1-year contract, CALIFORNIA-Agreed to terms with Er-nest Riles inflater, on minor league contract.

on Lysur contracts.
PHILADELPHIA—Non

POOTBALL ning back: Frank Gio Brion Mitchell, come DETROIT—Walved



'And this one is Margaret. She doesn't take a very good drawing."



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#### **PEANUTS**

















At Viciol ID

Brown, pitcher, on 1-year contract. Nectional League LOS ANGELES—Acreed to tehno h

Ind instructor.
SAN DIEGO-Accord to terms with Philiptonies, outsident on 2-year contract.
BASKETBALL
Basketball Association
CHARLOTTE—Signed Thri Kempton, for-

GREEN BAY-Named Larry









WIZARD of ID

STOLEN

CHICKEN





## SPORTS WINTER

## Olympic TV Schedules and Events

Saturday's Events All times are GMT Women's downhill.

1000. - Two-man first and second runs, 0900. Cross Country Skiing — Men's 15 kilometer free pursuit, 1130. Skelling - Men's treestyle,

Taco. Ice Hockey — Canada vs. Stovakia, 1400; Italy vs. France, 1630; United States vs. Sweden, 1900. Nordic Combined — Individual 15 ki-

iometer cross-country, 0930. Speedstuding — Women's 500 meters. 1300. Saturday's TV

#### EUROPE All times are local.

ORF: 0600-0850, 0950-1730, 1800-1845, 2140-2355. Britain - BBC1: 1215- 1715 - BBC1: 1215- 1715; BBC2: 0945-1100, 2010-2205. Bulgaria — BNT/Channel 1: 1200-1330, 1700-1945, 2205-2345; Channel 2: 1700-1740, 2055-2330, 0030-0100, Crostia — HRT/TV2: 1640-1845, 1950-245, 0050-0150 1950-2145, 0050-0150

Cyprus — CYBC: 1715-1745, 2030. 2100, 2230-2300. Czech Republic — CTV/Channel 1: 0915-1330, 1945-2015, 2300-0005; Channel 2: 1455-1730, 2115-2245. mk - BR: 1050-1300, 1530-1800, 2115-2145, 0003-0103. tonia - ETV: 1120-1600, 1915-1945, 2145-2400.

nd - YLE/TV1: 1110-1600; TV2: 2200-2400. France - FR2: 1034-1255, 1725-1945; FR3: 0930-1000, 2005-2025; TF1: 1055-1215, 2045-2235. - ZDF: 0950-1730, 2055-

- ET1: 1230-1300, 1515-- MTV/Channel 1: 1335-Hungary - MTV/Ghannel 1. 1500, 1500, 2005-2020; Channel 2: 1100-1300, 2230-0050. nd - RUV: 0960-1100, 1255-1400, 1650-1750, 1825-1855, 2240-

Haly - RAI2: 0035-0030; RAI3: 1050-1400, 1730-1800, 0035-0130. Letvia - LT/Channel 1: 1915-1945, 0030-0100; Channel 2: 1055-1530. Lithuania — LRT: 1320-1430, 2180-

2150, 0030-0100. 2150, 0030-100. Lumembourg — CLT: Highlights on evening news, 1900-2000. Macedonia — MIGRTV/Channel 1: 0920-1030, 1120-1300, 1355-1630, 1715-1746, 1755-1845, 1855-2130. 2230-2300; Channel 2: 0855-1330, Channel 3: 0950-1135,

1255-1420, 1755-2145. Monaco - TMC/IT: 1045-1400, 1745-1940, 0045-0245. Netherlands - NOS: 0930-1724, 1840-1850, 2030-2315. Norway - NRK: 0900-1800, 2000-2400. TV2: 1845-1900, 2120-2320. Poland - TVP/PR1: 1210-1400, 2200-2300; PR2: 1000-1200, 1840-1800, 1900-2100, 0005-0205.

lugal - TV2: 2300-2320; RTP1; 1100-1120. Romania - RTVR/Channel 1: 1150-1230, 1915-1945, 2230-2345, 0030-- RTO: 1220-1330, 2140-0030; RTH: 1250-1520, 1600-1700, 2125-2155, 0030-0125. Siovakia — STV/SK; 0600-0830, 1020-1730, 1816-1845, 2100-2245, Siovenim — RTVSLO: 1030-1845,

Spain - RTVE: 1000-2400; TVE2: Spain - RTVE: 1000-2400. TVE2: 1000-2400. TV 1230-1330, 1930-2100. Switzerland — TSR/TSI/DR8: 0955-1330, 1355-1520, 1855-2340: \$+: 1900-2230.

Turkey - TRT: 1735-1815, 2150-Ukraine - DTRU/UT1: 1120-1330, 1615-1645, 1955-0100, 2100-0100; UT2: 1800-1945. Eurosport - 0800-2245, 0100-con-

ASIA/PACIFIC All times are local Australia — Charmet 9: 2030-0100.

New Zealand - TV1: 0700-0800, 2130-2400. Japan - NHK: 2200-2400 (general); 1230-1500, 1800-0630 (satellite); 1300-1500, 1900-2200 (Hi-Vision). Papus New Guines — EMTV: 9830-1200, 2200-0000.

China - CCTV: 2100-2400. Hong Kong - TVB: 2400-0100. South Kores - MBC: 1400-1700. 0100-0230. Malaysia — TV3: 2315-0015.

ore - SBC/Channel 12: 2400-Ster TV/Prime Sports - 0900-1000, 1230-2030, 0200-0800. NORTH AMERICA

es and EST V; 0500-0600, 0900-2300: - CBS:1300-1800, - CBS:1300-1800, United States — CBS:0900-1200, 1530-1800, 2000-2300, 2335-0035. - CTV: 0500-0600, 0900-1700, 1900-2200. United States — United States — CE 1900-2300, 2335-0035. des - Televisa: 1100-1400, 2200-

#### Sunday's Events All times are GMT.

Biathion — Men'a 20 kilometer, 0900. Bobsied — Two-Man third and fourth

Pigure Skating nais, 1800. - Ice dancing originais, teau. Ice Hockey — Russia vs. Czech ne-peblic, 1400; Garmany vs. Finland, 1630; Norway vs. Austria, 1900, Sid Jumping — 120 meter special Men's 10,000 me-

#### Sunday's TV EUROPE All times are local

Austria — CRF: 0800-0900, 0955-1800, 1948-2230, 2305-2400. Britain — BBC2 / 1955-4400. - BBC2: 0955-1500, 1900-Bulgaria — BNT/Channel 1: 1155-1515, 1555-1830, 1916-1945, 2140-2240; Channel 2: 2150-2330, 0030-

- HRT/TV2: 0945-1840. Cyprus - CYBC: 1715-1745, 2030-Casch Republic — CTV: 0915-1730, 1945-2015, 2320-0005.
Denmark — DR: 0945-1730, 2145-2215

- ETV: 1055-1830, 1915-- YLE/TV1: 1045-1700, 1840-2120; TV2: 1700-1880, 2120-- FR3: 1045-1290, 1405-

1550, 1555-1755, 2005-2035, 2050-2140. - ARD: 0945-2200, 2240-- ET1: 0000-0100; ET2: MTV/Channel 1: 1455-

1730, 2200-2230. | loslend - RUV: 1155-1515, 1650-1750, 1825-1855, 2305-2335. | ltsly - RAI2: 0015-0200; RAI3: 0955-1440, 1730-1800, 2000-2020. - LT: 1055-1540, 1915-1945, 0030-0100; Channel 2: 1055-1330. Literania — LRT: 1100-1330, 2000-

CLT: Highlights on evening news, 1900-2000. Macedonia – MKRTV/Channel 1: 0865-1340, 1355-1630, 1715-1745, 1755-1830, 1855-2130, 2230-2300; Chennel 2: 0855-1130, 1255-1600, 1755-2040; Channel 3: 0950-1125, 1155-1455, 1625-1900. Monaco - TMC/IT: 1000-1200, 1600-1925, 2300-0115.

Netherlands - NOS: 0930-1310, 1345-1805, 2030-2350. Normey - NRIC, 0900-1800, 2000-2400; TV2: 1845-1900. Poland - TVP/PRI: 1100-1150, 1645-1730, 2100-2300; PR2; 0856-1100, 1400-1610, 1900-2100, 0005-

# - TV2: 2300-2320; RTP1: Romania — RTVR/Chennel 1: 1545-1655, 1745-1630, 1915-1945, 0030-0100; Chennel 2: 2000-2240. is - BTO: 1155-1430, 1655-1930, 2300-2400, 0030-0130; HTH:

.2210-2340, 0030-0100, - .STV/SK: 0600-0830, - RTVSLO: 0935-1830,

1145-1500, 1600-1730.-Switzerland - TSR/TSI/DRS: 0955-1200, 1255-1730, 1825-2325; 8+:

1300-1730. Turkey - TRT: 2130-0130. Utraine - DTRU/UT1: 1055-1330, 1800-1840, 1955-2045, 2130-2200,2230-0100; UT2: 1700-1740, Eurosport - 0600-2300, 0100-continuous coverage.

ASIA/PACIFIC All times are local ella - Channel 9: 2030-0100.

New Zeeland - TV1: 0700-0800, 2130-2400. Japan — NH: 2200-2400 (general); 1230-1500, 1800-0630 (satellite); 1300-1500, 1900-2200 (H-Vision). Papua New Guines — SMTV: 2030-China - CCTV: 2000-2400.

Hong Kong — TVS: 2400-0100. South: Koren — KBS: 0100-0230; MBC: 1400-1700, 0100-0230. spore - SBC/Channel 12: 2400-Star TV - 0830-1415, 1700-0800.

NORTH AMERICA All times are EST \_\_\_\_\_ CTV: 0900-1700, 2000-

#### Monday's Events

All times are GMT Skling — Women's combined first run, 1830; Second run, 1200 Cross Country Skiling - Wor

style, 1800. Freestyle Siding nais, 0830, 1200, ice Hockey - Sweden vs. Canada, 1400; Slovakia vs. France, 1630; Unit-

ed States vs. Italy, 1900,

ng - loe dancing

#### Monday's TV EUROPE

All times are local - ORF: 0600-1730, 2015-- BSC2: 1415-1550, 2000-2230, 2315-2355. - BNT/Channel 1: 1030-1500; Channel 2: 1555-0100. - HRT/TV2: 1355-1920.

Cyprus - CYBC: 1715-1745, 2080-2100, 2230-2300. Cosch Republic - CTV: 915-1730, 1945-0005 - DR: 1020-1145, 1450-1730, 2130-2215, 2333-0033 Estonia - ETV: 1120-1245, 1365-1945, 2130-2400.

- YLE/TV1: 1110-1830, 2055-0015; TV2: 1900-1930. France - FR2: 0924-1255, 1708-1955; FRS: 1255-1400, 2005-2030; TF1: 2050-2245. eny - ARD: 0915-1740, 2015-

2230. - ET1: 0830-0900, 1700-1800, 2200-2330; ET2:1915-1946. Hungary - MTV/Channel 1: 1207-1237; Channel 2: 1455-1730, 1905-2055, 2200-100, Jesiand - RUV: 0825-1045, 1825-1855, 2200-2255, 2315-2345. Haly - RAI2: 0925-1146, 2415-2600; RAI3: 1155-2020.

Latvia - LT:-1120-1245, 1915-1945, 0030-0100.

Lithumia — LRT; 1955-0000. Lithumia — LRT; 1955-0000. Lithumia — CLT; Highlights on evening news, 1900-2000. Miscedonia — MKRTV/Chennel 1: 0825-1020, 1155-1345, 1625-1900; Channel 2: 0920-1045, 1255-1450, 1755-2200; Channel 3: 1155-1350, 1355-1630, 1715-1745, 1755-1830, 1855-2130, 2230-2300. Monaco - TMC/IT: 0930-1345, 1815-1925, 2005-2230, 0045-0245. Netherlands. - NOS: 0900-1725, 1840-1850, 2030-2315. - NRK: 0900-1750, 2000-

2400; TV2: 1845-1900, 2130-2330. Poland - TVP/PR1: 0915-1100, 1830-1855, 2130-2300; PR2: 1105-1400, 1805-1725, 1905-2100, 0005-- TV2: 2300-2320; RTP1:

Rossmia — RTVR/Channel 1: 1120-1245, 1500-1650, 1915-1945, 2200-0100; Channel 2: 1555-1830, Russia - RTO: 1355-1530, 1830-1900, 2140-0030; RTR: 1220-1400, 1655-1930, 2135-2206, valkia - STV/SK; 0600-2300, venia - RTVSLO: 0906-1355,

1700-1845, 1956-2015, 2090-2905 m - RTVE: 0930-2400; TVE2: Spean — 1 1445-1500. - SVT/TV2: 1015-1145, 1445-1855, 2000-2145; Channel 1: nine gold medals. The Unified 1855-1730, 2145-2300. Team that succeeded it won in

1655-1730, 2145-2300, Switzerland — TSR/TSI/DRS: 0830-1130, 1400-1600; S+: 1300-1730, 1800-2300, Turkey — TRT: 1830-2030, 2115-

1400-1440, 1660-1645, 1955-0100; UT2: 1915-1945. ort - 0600-continuous cover-

#### ASIA/PACIFIC All times are local Australia - Channel 9: 2030-0100. New Zealand - TV1: 0700-0800, 2130-2400.

Japan - NHK; 2200-2400 (general); 1230-1500, 1800-0630 (satellite); 1300-1500, 1900-2200 (Hi-Vision). China - CCTV: 2100-2400.

Hong Kong — TVB: 2400-0100. South, Koren — KBS: 1000-1300; MBC: 1430-1790, 2400-0130. Melayela - TV3: 2315-0015. Singapore - SBC/Channel 12: 2400-D100

STAR TV/Prime Sports ~ 0900-1445, 1800-continuous coverage. NORTH AMERICA

All times are EST Canada — CTV: 0630-1200, 1500-1700, 2000-2300.

United States — CBS:0700-0900, 1300-1800, 2000-2330, 0107-0207.

Mentico — Televise: 0700-1100, 1700-1900, 2330-2400.

"I still haven't realized what happened," she added. "In Albertville I also didn't realize what happened. Maybe I'll realize it in a couple of weeks." information provided by the IOC, TWI, and individual broadcasters; compiled by the international Herald Tribune.

## Germany Stuns Russia to Gain in Hockey

LILLEHAMMER - The German team celebrated as if it had won the gold medal Friday after dealing Russia its second humiliating defeat of the Olympic ice hockey tournament and earning a quarterfinals place with a 4-2 upset.

The victory put Germany through with Russia and Finland, which beat Austria 6-2 in the Cavern Hall in Gjoevik. The Czech Republic defeated Norway 4-1 Friday night to take the fourth slot in

Germany stunned the Russians by taking a 2-0 lead on power-play ls by veteran Bernd Truntschka in the first 10 minutes.

Truntschka had had no goals and just one assist in 15 games in three previous Olympics. But he scored at 7:00 of the first period as a delayed penalty was being sig-naled against Russia and on a power play at 10:12.

Leo Stefan tapped in a third German power-play goal past Russian goalie Sergei Abramov for 3-0 in the 25th minute.

German goalie Klans Merk, who made 32 saves in the game against 14 for Abramov, shut out the Russians until the 36th minute.

Pavel Torgaev then scored at 15:12 of the second period on a rebound of Georgi Evtyukhin's shot. And Alexei Kudashov cut the lead to 3-2 at 1:39 of the third with a shot from the inside edge of the right circle, over Merk's right arm.

But an expected third-period surge by Russia never materialized as the Russians couldn't get around Merk, and Germany grabbed the momentum back when Wolfgang Kummer stole the puck in center ice and fired a 50-footer between Sergei Abramov's pads.
The jubilant Germans poured

over the boards to congratulate Merk as the final horn sounded. The Russians lined up quietly, awaiting the traditional handshake with their opponents. The Russiaos, inexperienced

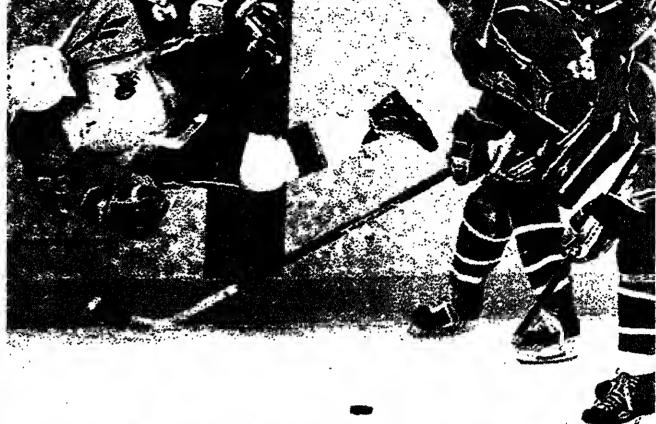
heirs to the Moscow-based dynasty that won seven Olympic titles, had been weakened by an exodus of players to North America. The beginning of the end to the dynasty came a long time ago," Russian assistant coach Igor Dimitriev said, referring to the flight of

star players to the National Hockey League across the Atlantic. "Maybe it is time to start talking about the end," he said.

With the trickle of Russians rushing to the NHL having turned to a flood, the old hockey dynasty

is struggling with the leftovers. The Soviet Union won seven of 1992. Only the United States broke that iron grip, in 1960 and 1980.

But now, its defensemen are mediocre, the goaltending is suspect, Ukraine - DTRU/UT1: 1120-1245, and the future is the dimmest since



Handrick Joerg of Germany took a spill as two Russian defenders closed in on him Friday during in Germany's ice hockey upset.

the Soviet Union's first Olympics

38 years ago. Russia locked up a playoff spot for these Games, but Dimitriev knows the once-powerful machine is missing important parts.

We've disappointed our fans at home and everybody else," he said.
"We made the same defensive mistakes as against Finland, The defense is the weakest point of the

But the current team has oo for-mer Olympians. Of the 22 Unified Team players, 19 went to the NHL.

LILLEHAMMER - The Na-

tional Hockey League is moving closer to shutting down for part

of the 1998 Winter Games so its

stars can play on their national

teams, Commissioner Gary Bett-

Bettman has met twice here

with the International Olympic

Committee president, Juan Anto-

nio Samaranch, and Gunter Sa-

betzki, head of the International

Ice Hockey Federation.

man said.

to restock.

Germany's best previous performance in an Olympic tournament was a bronze medal in lunsbruck in

"I expected we could do much better than ever before," German coach Ludek Bukac said, Germany's only previous bockey medals were bronzes in 1932 and 1976. Russia endured a 5-0 whitewash

by Finland earlier in the tournament, but victories over Norway

NHL Considers Break for Games

"Our goal is to have a frame-

work in place by summer," Bett-

man said Thursday. "If we can't

get out of the gate on this one, it

may not get done."

The first step was taken last week when the NHL and IIHF

agreed to work on a framework

for the league to take a break

during a portion of the 16-day

1998 Games in Nagano, Japan.

of the teams in the Olympics and

dramatically improve the quality

of play. Unlike the basketball

The move would affect many

And Russia has had just two years in the pool, were enough to give first period to put the Czechs ahead them a place in the final eight. "We are losing our self-confidence after these losses. The most important thing now is to rebuild

the spirit of the team." Dimitriev

The Czech victory ended the Olympic host nation's dream of reaching the quarterfinals, Jiri Dolezal and Tomas Srsen,

with medium-range slapshots, and Radek Toupal, from the edge of the crease, struck within two minutes and Austria, the two weakest teams and 16 seconds at the end of the

competition at the 1992 Games

in Barcelona, in which the U.S. Dream Team was the main beneficiary of National Basket-

ball Association talcot, the

Americans: Canadians, Czechs,

Finns, Russians and Swedes all

would benefit from the infusion

One of the main stumbling blocks is the NHL's regular sea-

son. The league doesn't want to

suspend play for the Olympics

because club owners would balk

of NHL players.

at the lost revenue.

The hlitz appeared to kill off the unrated Norwegians, who have never been among the top eight in the Olympics but who had hoped that the home advantage would help them beat the odds.

In Gjoevik, Marko Palo made it 1-0 after only 1:31 and Finland swept to its fourth consecutive win. Hannu Virta added a second in the 29th with a slapsbot from a face-off

Canadian-born Kenneth Strong pulled one back for Austria three minutes later, hut Ville Peltonen tapped in a rebound in the 38th minute to reclaim a two-goal advantage for Finland before a ooesided third period.

Little more than honor was at stake, as Finland had already secured a place in the quarterfinals and Austria, with no points, had no chance to qualify.

The United States, which tied

Canada 3-3 Thursday for its third consecutive draw in the Olympics. could still get into the medal round with a tie in its oext two games, or almost certainly would make it with a win and a tie.

Second-seeded Sweden awaits the Americans on Saturday, followed by Italy on Monday.

## Canadian Gets North America's First Biathlon Gold

LILLEHAMMER - Myriam Bedard of Canada became the first ever North American to win an Olympic biathlon gold medal on Friday as she captured the women's opening 15-kilometer event, 46.7 seconds ahead of France's Anne Briand.

Bedard, a bronze medalist in the event two years ago when women's biathlon was introduced to the Winter Olympic program in Albertville, clocked 52 minutes, 6.6 seconds. She had missed twice at the shooting range.

Uschi Disl of Germany won the bronze. "It was tougher today than in Albertville because of the cold weather," Bedard said. "I was feeling better physically in Albertville after the race. Mentally I don't know."

It was Canada's second gold in these Games. Freestyle skier Jean-Luc Brassard won the men's moguls Wednesday.

Bedard, a 24-year-old French-Cenadian from Loretteville, Quebec, has steadily imfirst two stops at the shooting range, and Cup circuit this year, failing to win a single

won the team gold medal in the last Olym-nics, was timed in 52:53.3 after missing three targets. She was among the last starters, setting out just ahead of Bedard, in a field of

"It's the first time I had a starting number like that," Bedard said, "I was the last of the best, so it was a very good starting oumber." Bedard had her second miss on the last shooting range, with about one kilometer

"It was hard to know if Briand was skiing fast," Bedard said. "But with about one kilometer left I knew I had 40 seconds so I was pretty sure that I could hold on to that." Disl, who started 14th, picked up some lost pride for the German team, was third in

53:15.3. She had three misses.

badly. I missed at both of the first two ranges, but I managed to regain my confidence." The biathlou combines the endurance of a cross-country race with marksmanship from though she skied the course 13 seconds the shooting range. None of the 69 entries

managed to shoot clean on a day with little

affected the shooting.

Each miss adds a one-minute penalty to hit 19 of 20 targets.

proved after making the podium in 1992. She finished runner-up in the World Cup the past two seasons after a 28th overall in 1991.

Briand, a member of the French trio that won the team gold medal in the last Olymbrous the medal was gone.

This individual medal was such a challenge that I now feel drunk with joy," she said. "I wasn't feeling very well in the morning. I had pains all over. Then I started 2:05.5 behind after three misses.

Another German, the world champion Petra Schaal, had a poor day at the shooting range, missing five targets to limish 15th, almost three minutes behind the winner, alquicker.

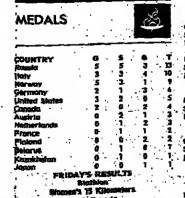
Nathalic Santer of Italy, who has a comwind. But the cold weather with temperamanding overall lead in the World Cup tures of minus 14 degrees centigrade (7 destandings, was another disappointment. She gress Fahrenheit) at the start of the race finished 25th, 4:00.8 behind, after eight

In the 15-kilometer biathlon, racers go through the shooting range four times, shooting twice prone and twice from the standing position at five targets in each series using 22-caliber rifles.

misses.

Only three women shot better than the winner—Delphyne Heymann, a member of France's world championship silver medal relay team, the American Joan Guetschow and the Romanian Adina Sotropa. They all and the Romanian Adina Sotropa. They all

#### OLYMPIC SCOREBOARD



6: Kort Bropper and Wilfried Huber, Italy 5: Honstons Roffl and Norbert Huber, Holy Pairs, Prestyle Present. G: E. Gordenvi and S. Grinkov, Russia S: N. Mishkutlenok and A. Drattrev, Rus

5: Honsterd Romi and Herbert Than
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Speed Stastine
- Mee's 1,000 Meibrs
G: Dan Jansen, United States
5: Igor Zhelesswaky, Belarus
6: Sergel Klevchenya, Russka
THURSONY'S RESULTS

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5: Manueri II Come
8: Stelanio Selmando, Italy
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Nemen's 14st Melers
5: Svetania Bachandva, Ruskid
8: Enset Hanyady, Austria
8: Claudio Pecistem, Germany 

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WEDNESDAY'S RESULTS
Fractive Stoke
Alex's Alexis
G: Jeco-Loc Brestors, Conodo
S: Sergel Shoustellow, Russia
B: Edger Grospicori Fronce
Wesser's Alexis
G: Stine Lise Hottestod, Norway
S: Liz Michael Alexis
B: Elizayeta Kolevittava, Russia

G: Johann Clay Koss, Horyey 5: Rintle Ritsma, Netherlands B: Patto Zondstra, Netherlands TUESDAY'S REBULTS
Alpino String
Women's Sway-Sing! Statem
G: Diona Rolls-Steinfolter, U.S.
S: System Glodischeva, Russia

S: Isolde Kaster: Toby
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Winnest & Kilemeter
G: Lychov Eserova, Russia
5: Manuela Of Carlo, Ruiy
B: Mario-Libo Kirvessiani, Finland Figure Skilling Pairs, Freestyle Profil

BIATHLON

WOARENS IS KILOMETERS, (harpets missed in perventiones)—1, Myriom Bedord, Conode, 52 minutes, ab seconds (2); 2, Arme Briend, Fronce, 52:523 (3); 3, Urstin Dist, Garmony, 52:53, 3(1); 4, Sections Procursysian, Belance, 52:53, 3(1); 4, Sections Procursysian, Belance, 52:53, 3(1); 5, Marrino Josephia, Sistema, 53:53, 4(2); 7, Nadolfo Perventinione, Belance, 53:59, 2 (3); 8, Kerryn Rien, Australia, 43:13, 1(2); 8, Armite Horwe, Carron, 64:12, 4, Marrino, 64:10, 4, Mar

11. Detshme Heymann, Pranca. 54:71.3 111; 12. Olena Opurtanea: Ukraina, 54:41.2 (4); 13, Nodiyo Bilova, Ukraina, 54:41.3 (3); 14, Joan Smitty, U.S., 54:417 (3); 15, Petra Schaaf, Germa-

reasys insure. Ustrama. 54:443 (3): 14. John Smith, U.S. 54:44 (3): 15. Petro Schaal, Germany. 58:225 (5): 16. Nodelda Tolonova. Russilo. 55:140 (5): 17. Jean Guelschow, United Stotes, 55:140 (5): 17. Jean Guelschow, United Stotes, 55:17.4 (1): 26. West Melocke. Compde. 55:27.4 (2): 26. Versilose. Romano. 57:27.4 (2): 26. Versilose. Foresta. Norwow, 55:53.4 (3): 27. Hittoriousm Posser. Norwow, 55:53.4 (3): 27. Mario Monolovo, Bufgardo, 55:53.2 (2): 29. Notal la Smrtine, Rossilo, 55:58.7 (4): 24. Jinian Wong, China, 54:98.8 (5): 25. Notherise Souter, Poly, 56:57.4 (6): 28. Apriss Resilovo. Russilo, 34:08.2 (6): 27. Eveti Poterson, Estonic, 56:10.0 (6): 29. Iran Sheshiki, Kozuldaston, 56:16.5 (5): 20. Iran Sheshiki, Kozuldaston, 56:16.5 (5): 20. Iran Sheshiki, Kozuldaston, 56:16.5 (5): 20. Iran Sheshiki, Kozuldaston, Norwoy, 57:04.2 (3): 28. Laura Grover-Towers. United Stotes, 57:24.5 (4): 38. Beth Coots, United Stotes, 57:24.5 (4): 38. Seth Coots, United Stotes, 57:24.7

37:36.3 (4); 33, Behi Coofs, United Sintes, 57:38.0 (4); 34, Iveto Kalzhovo, Conch Republic, 57:29.7 (4); 35, Euc Hohnvo, Conch Republic, 57:29.2 (4); 36, Sincot Gredner-Politer-Mannin, Germoty, 58:06.5 (7); 37, Jirina Pelanva, Casch Resublic, 58:06.3 (3); 38, Tullo Silcie, Finland, 58:13.1 (5); 39, Aleja Soise, China, 58:258 (5); 46, Sand Wilholmo, Sivoiddo, 58:46.5 (7). 41, For Chicagreva, Bulgaria, 58:48.2 (4); 42, Kristo Lanik, Estonic, 58:29.8 (5); 43, Gunn Almydi Andrius Grossic, Sivondo, 59:49.3 (9); 44, Andrius Grossic, Sivondo, 59:49.3 (9); 44. Andreio Grosic, Slevenia, 97:003 (7): 45. Ageto Suezia, Poland, 57:132 (4); 44, Morio Schylender, Sweden, 97:142 (3); 47, Nedeldo Alexievo, Bulgario, 57:150 (3); 46, Mori Lammen. Finland, 59:169 (A); 49, Natalia Ryz

## LUGE

Wilfried Hober, Holy, 1 minute, 36,720 second: (48,348, 48,372); 2, Honsjorg Raffi and Norber Huber, Holy, 1:36,749 148,274, 48,495); 3, Stefan Krousseand Jan Behrendt, Germany, 1:36.94 Arguse cristing as in the service of 1:37.323 146.647, 46.676); 7, Albert De 1:37,223 | 48.67, 48.26); 7, Albert Denrichento und Alexan Zalenski, Russio, 1:37.67 (48.65; 48.22); 8, 169 Robert Gosper and Clay Ives, Cymodo, 1:37.67 (48.65; 48.22); 10, 169 Robert Gosper and Clay Ives, Cymodo, 1:37.67 (48.29, 48.79) and 1por Urbarsky and Anatri Nakotha. Urbara. 1:37.68 (48.72, 48.953); 10, Tobias Schlessi and Mariasi Schlessi, Austrio. 1:37.66 (48.62, 48.67).
11, Alvis Symon and Roberts Schlessi and Alexand. 1:37.67 (48.96, 48.918); 10, Juris Vovcaks and Schlessian (48.96, 48.918); 10, Juris Vovcaks and Schlessian (48.96); 11, 39.87 (48.46, 48.99). 1:37.267 (46.94, 46.916); Q. JUTR VOYCES ON Deliris Leksik, Lohido, 1:32.25 (48.14,49.201); 12. Hons Koholo and Curl Lindevict. Sweden, 1:32.28 (48.76,49.26); 14. Shediso Sale and Stat-ten Woeller, Germany. 1:32.20 (42.77, 49.01); 15. Andriji Boblov and Guenadi Bellakov, Rus-Sic, 1:38.40 (42.24,49.84); 14. Lezzak Szarelio Curl Marchine Boundard Bellakov.

MEN'S DOUBLES - 1, Kurt Brusper one

(a):104. 49.001; 17. Leven Tibliov and Kaicha Volchtansishvill. Geomics. 1:29.34. 149.80. 45.54); 18. Assuch Sasaki and Yull Sasaki, Jo-eon, 1:40,784 (53.782, 49.342); 19. Elka Ansusiov

and Adrian Przechewka, Poland. 1:38,904

## Roland Brunner, Austria, 1:14.00; 13. Peter Adabers, Germany, 1:14.25; 14. Yukinari Miyabe, Jasan, 1:14.25; 15, Nico Van Der Viles. Nethersonis, 1:14.29; 16, Saon Ireland, Conado. 1:14.31; 17, Aleksandr Golubev, Russia, 1:14.78; Te, Your-Man Kim, South Koren. 1:14.97: 19, http://ges.Shimito.j.com, 1:15.07; 26, Vadim Shakshakbayev, Kazakhston, 1:15.06.

Shokshokbayev, Kazakhston, 1:1506, 27, Nazhanień Allin, Unihed Stotes, 3:15.11; 22, Arie Lock, Netherlands, 1:15.12; 24, Anocrus Enfekti, Swaden, 7:15.18; 24, Aripa Schreuder, Netherlands, 1:15.19; 25, Roberto Sighel, Italy, 1:15.36; 28, Andrey Balchedow, Russia, 1:15.36; 29, Alichael Spielandson, Germany, 1:15.41; 28, Laris Funke, Germany, 1:15.44; 29, Hans Akortkerbens, Sweden, 1:15.93; 29, Jitel David Besternan, United States, and Alessandro De Toddel, Italy, 1:15.42; 21, Krust-Hout Lee, State Kores, 1:15.92; 33, 32, Kyou-Hyak Lae, Sagin Karea, 1:15.92; 32 Oles Kashtanilin, Ukroine, 1:15.95; 34, Vladi-mir Klapinin, Kazakiska, 1:15.99; 35, Brenden

mir Klapinin, Kozphiskin, I. 15,99; 25, prenom Epoert, United Steps, 1; 16,07; 26, 25et Boldo, Romania, 1; 14,16; 37, Phillip Tohmindila, Australia, 1; 14,22; 28. Devide Corta, Holy, I; 14,46; 29, Surp-Yeot Joseph South Koron. 1; 14,64; Jae-Shik Lee, South Koron. 1; 14,96; Grunde Nice. Norway, DNF; Mildrell Vestraktutov. Russig, DNF; Acque Sandraud, Norway, DSQ. NORDIC

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Abadevo, Sulgoria, 59:15.0 (3); di. Mort Lamphan, Followid, St. Kristolia Revis. (All Mort Lamphan, Followid, St. Kristolia Revis. Casch Resolide, 59:25.0 (4); di. Mort Lamber Revision Casch Resolide, 59:25.0 (4); di. St. Kristolia Revis. Canada, 59:34.5 (5); di. St. Kristolia Revis. Canada, 59:34.5 (5); di. St. Kristolia Revis. Canada, 59:34.5 (5); di. St. Kristolia Revis. Canada, 59:34.5 (6); di. Yeshilia Revis. Canada, 59:34.5 (7); di. Holian Phate, Patand, 1:30:25.6 (4); di. Xeshilia Revis. Canada, 59:34.6 (2); di. Xeshilia Revis. Canada, 59:34.6 (2)

)lie) Trond Einer Eiden, Norwov, 82.0. 81.0, 5:83.0, and Frontizek Mako. Cooth Republic, 82.5, 82.5. 5:83.0, 301.5: 19, Stamislow Usłupski. Pokond. 86.0. 79.5, 5:13.0, 70.93; 20. Andreas Schland, Switzerland. 80.0, 82.5, 5:26.0, 190.0. School, Switzerland, 801, 825, 5:240, 1960.
21, 1169 Allor Levand, Estania, 829, 809, 5:360, and Thomas Duffer, Germany, 849, 785, 5:300, 197.5; 23, Hannu Manchen, Finiand, 800, 825, 5:320, 197.9; 24, 1169 Millor Kucerc, Ceech Republic, 840, 765, 5:530, end Thomas Abrails, Germany, 815, 805, 5:530, end Thomas Abrails, Germany, 815, 805, 5:530, end 1940; 28, Geora Redestaperger, Austria, 785, 810, 6:000, 1930; 27, Andrea Cecan, 1161y, 850, 795, 5:000, 1930; 27, Andrea Cecan, 1161y, 850, 795, 5:000, 1930; 27, Andrea Cecan, 1161y, 850, 795, 6:000, 1930; 28, 7900 Heckman, United States, 815, 775, 6:100, 1915, 21, Febrica Guy, France, 858, 760, 4:130, 1910; 22, (116) Folia Guitvaud, Austria, 840, 175, 4:160, 1905; 24, Taulo Nurmeio, Finiand, 804, 750, 6:400, 1879; 35, Tim Tetreouti, United States, 82, 745, 4:430, 185, 25, Alichal United States, 82, 745, 4:431, 185, 25, Alichal

United States, 82.0, 76.5, 6:43.0, 186.5; 36. Michal Glacko, Slovakia, 63.5, 75.0, 7:00.0, 184.0; 37. Magnar Freimuth, Estania, 194, 765, 7:010, 1835; 38, Valeri Kabelev, Russia, 785, 765, 7:26.0, 180.0; 39, Devoleto, Russia, 743, 76 7:26.0, 180.0; 39, Devold Jorrett, United Stole 78.3,76.0, 7:36.0, 175.5; 40, Voleri Stolkarov, Ru slo, 80.0, 74.5, 8:03.0, 174.5.

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FIGURE SKATING

ICE DANCE (Overel) plocings offer 2 core petagry dancts)—I, rie. Mayo Listova and Alexander Zhulka, Russia. and Oksono Gritschuk and Yevgeni Platov, Russia, 8.6; 3, Joyne Tarvill and Christopher Dean, Britain, 1.2; 4. Susanna Rohkama and Petri Kekko, Finland, La: 5, Saphie Monitote and Pascal Lovanchy, France, 2,5 & Anieliko, Krylava and Voglanir Fedorav, Russia, 2,4; 7, Irina Romanova and Isor Yarashenko, Ukraine, 2,2; 8, Katerina Alrezava and Marila Simecek, Czech Rosublic, 22; 9, Jenniker Goolsbee and Hendryk Schamberger, Gertharty, 1,5; 10, Shoe-Lyan Bourne and Victor Kreatz, Coneda, 4,0. 13, Tatjaaa Noviko and Samuel Gazzilan, Belarus, 4,4; 12, Aliki Skrykadeu and Yuris Razsulayev, Uzbakistan, 4,8; 13, Margarita Drobiozko and Povilas Vanabas, Lithuania, Susanno Rohkomo and Petri Ketika, Finland

Droblezko and Pavilos Vanabas, Lithuania, 5.2; 14. Elizabeth Punsalan and Jerod Swaj-

bolows and Alian Brzy Czech Republic 64; 17, Elizaveta Stekofnikova and Dmilri Kasan-ysa. Kazatistan. 68: 18, Asanlesska Do-manska and Marcin Glovacki. Poland. 7.2: 19. Systiana Chemikova and Alexander Sessanka, Uteraine, 74; 28, Eniko Berkes and Szilard Tota Hungary, 20: 71, Dinara Nuraba Musikan Settarov, Uzbekiston, 24.



France 0
Italy 0
x-advanced to quarterfit Piniana & Austria 2 Czech Republic 4 Norway 1

Rumde First period—1, Germany, Berniard Trinstehku, 2, Germany, Berniard Trunschku, 1991. Penalties—Richard Amam. Ger (halding): Alexel Kudashov, Rus (haoking); Jayson Meyer, Ger (halding). Jarson Meyer, Ger (holding).

Second period—J. Germany. Lee Steten
(Thomas Brandli: pp). 4. Rusele, Pavel Torgeev. Penalties—Sergel Shandclev, Rus (Inlerierence): Sergel Shandclev, Rus (Inlerierence): Sergel Shandclev, Rus (Insticking): Bernhard Trunschine, Ger (highsticking): Wolfsticking): Sergeradski, Rus (Irighsticking): Wolfsons Kummer, Ger (high-sticking): Wolfsons Kummer, Ger (high-sticking): Audioshov
(Screel Sorokh): 4. Germany, WolfToer, Penallies—Georal Evinyathy. Rus (IrighToer, Penallies—Georal Evinyathy. Rus (Irigh-

Austria
First period—1, Finland, Marko Polo (Eso
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thooking); Moorty Dollman, Aut Trippinel;
Kenneth Streng, Aut Troughing); Post Sormunent, Fin Troughing); Honnu Virto. Fin
(holding). munen, Fin Industries; Hannu Virta. Fin (holding). Second period—2. Fintand. Hannu Virta. General Marko Kiprusov, Miko Makelo); 1961. 3. Austria. Kenneth Strong (Jornes Burton); 4. Finland, Ville Petipuen, Perudites—Alika Stroembers. Fin Islashing; Engesbert (Inder, Auf (holding); Rab Doyle. Auf (hripping); Pert Varis. Fin (slashing); Gerhard Puschnik. Auf Indding); Satar Kolvu. Fin Interferencel. Third period—6. Finland. Satar Kosku. 7. Austria. Kenneth Strong (Gerhard Puschnik); (ppl. 8. Finland. Strong (Gerhard Puschnik); (ppl. 8. Finland. Penanties—Gerhard Puschnik. Auf

)roughingl; Jame Olanen. Fin )Hookingl; Kenneth Strang, Aut, double-miner (roughing); Post Secretary, Fin (couphing); Fini-Pasi Sprmuhen, Fin Troughing); Finland behali, served by Jére Lehtinan (too many men); rob Dovin, Aut (roughing); Salau Koivu, Fin Trough-hra); Aharty Dellinan, Aut (therinzence). Shotsen seal—Finland, 21-16-14—51, Austria 6-42—12. Sealles—Finland, Jukke Tarram) 112 shots, 10 saves). Austria, Alichael Puschacher

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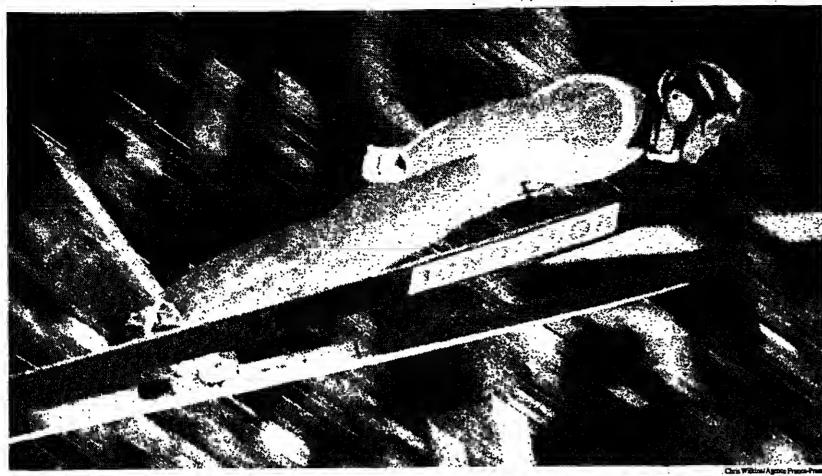
First period—1, Czech Republic, Jiri Dolezol
(Otokor Jonecky); 2, Czech Republic, Tomos

Sreen (Komili Karsiol); 3, Czech Republic,
Radek Toundi, Pendities—Jiri Kucera, Cze (hooking) : Petter Saisten, Nor (holding) : ()vi

ioc, Car (crass-checking).
Second privide—None, Pencilles—Erik Kristionen, Nor Iholding); Gair-Hoff, Nor Ihode-ing); Richard ZemNcko, Cae (hooking).
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FOSHIL Nor (hooking) Shots as gool—Chech Republic 14-6-7—29. Norway 42-5—15. Goolles—Czech Republic, Patt Brizz, (15 shots. 14 soves). Norway, Jim Marthimen 129-25).

## SPORTS WINTER OLYMPICS



Fred Borre Lundberg of Norway soaring to his triumph in the ski jump part of the nordic combined event on Friday. He takes a 23-second into the cross-country segment.

## Lundberg Leaps Out in Front in Nordic Combined

LILLEHAMMER - Fred Borre Lund- minute, 46 seconds behind Lundberg. berg of Norway won the ski-jumping portion of the Olympic Nordic combined event Friday and will take a 23-second lead into the ing. Lundberg went 92.5 and 92 meters cross-country ski race that will decide the (301½ feet and 300 feet) in his twn jumps for gold medal on Saturday. Lundberg's closest competitors said they

did not think they could catch him in the 15-

Cheered no by more than 20,000 specta-

tors and bundreds of Norwegian flags wava total score, including style points, of 247.0. Ago Markvardt of Estonia jumped 92.5 and 91 meters for 243.5 points, putting him 23

seconds behind Lundgren at Saturday's start. Kenji Ogiwara of Japan, the world cham-pion, who usually depends on good jumps to gren," Markvardt said.

leader at the start of the cross-country.

"Fred will take the gold," he predicted. Lundgren agreed. "Normally, I should win the cross-country," he said. "I was terribly nervous at the

top, but I managed in concentrate," Japan's Takanori Kono, who currently

tands second in the World Cup, jumped 91

Another Norwegian, Bjarte Engen Vik. and 92.5 meters for 239.5 points and will had 240.5 points for jumps of 91.5 and 92 start 50 seconds behind.

Ogiwara, who generally had been exceed-

88 meters for 231 points.

Japan's Junichi Kogawa had the day's best jump — 93 meters — but coupled with a first ump of just 80.5, it was good for only a 220.5 total in eighth place, he was 2:56 behind. Fabrice Guy of France, the 1992 gold medalist, had 191 points after jumps of 85 and 76 meters. He stood 31st, 6:13 behind.

ing 90 meters in practice jumps, went 89 and

## Italians Pull an Upset With 1-2 in Doubles Luge

Compiled by Our Staff From Dispances

LILLEHAMMER — Kurt
Brugger and Wilfried Huber of Italy staged a major surprise in the Olympic doubles luge on Friday, becoming the first non-German pair to win the two-seater event. outright since 1964.

The Italian duo of Hansjoerg Raffl and Huber's brother, Norbert, took the silver, with the German favorites, Stefan Krausse and Jan Behrendt, fimishing third.

With a blazing second rum of 48.372, Brugger and Huber finished in I minute, 36.720 seconds, beating Rafil and Norbert Huber by less Krausse and Behrendt, the

World Cup champions and the gold medalists at the Albertville Olympics, finished in 1:36.945. Raffi and Huber set a track record of 48.274 seconds on their first

run, but Brugger and Huber, second after the first heat; stormed back with the quickest time the last try on the 16-num Hunderfossen track. "We had a suspendous second

run, and with that we won the med-al," Huber said. "We didn't think we would make it to the gold medal." For Raffl, 36, it was his last Olympic ride. He'll retire to his job as a forest ranger.

"For me, an Olympic medal is the victory Pve wanted," said Raffi, who reached the podium for the first time in five Olympic tries. "Now I've done it, this will be my last Olympics."

The Germans were nonplus afterward. Partners for a dozen years, they had won four of the five World Cup races they entered this season. Turn 13 was their nemesis Friday. They skidded coming out of it on the first run and clipped the wall after performing nearly flaw-



Kart Brugger speeding to victory in the luge with Wilfried Huber.

didn't make the weight after

overshadowed by Brugger's nevela

After the 1992 Olympics the International Luge Federation gave luge, though no racers were pre-pared to consider changing then

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#### OLYMPIC NOTEBOOK

Compiled by Our Staff From Dispatches An American journalist offered 500 kilograms (1,100 pounds) of cod but failed to get an interview with the figure skater Tonya Har-

"I'm not for sale," said Trond Roedsmoen, an official at the Hamar Olympic village, where Harding is staying, as is her rival, Nan-

The fish offered for smuggling the reporter into the village was butefisk, a Norwegian favorite tra-ditionally served with bacon fat,

 A ridge of high pressure that has pushed daytime temperatures in Lillehammer up to a more bearable minus 7 centigrade (19 Fahrenheit) is set to continue, Games

But in Hamar, the site for figure and speed skating, 60 kilometers (37 miles) south of Lillehammer, it was still biting cold — minus 25 centigrade no Friday marning. "We're happy that all the events in Hamar take place indoors," a spokesman said.

The International Olympic Committee said this week that the Lillehammer Games were the coldest Olympics on record.

• Lillehammer police are jailing Olympic tourists regularly — giv-ing them a place to spend the night. Officer Rigmor Saether said she did not want the police station to become just another cheap batel but added that those without lodg-ing would not be turned away, as

long as there was room. Lithuania's winter sportsmen may he snubbed by sponsors and buffeted by economic change, but they are still proud of competing at the Olympics. Members of the delegation,

speaking on Wednesday's anniver-sary of Lithuania's 1918 proclamation of independence, were open about the problems of post-Soviet

sports in the Baltic state. Povilas Vanagas, who will team

up in the ice dance with Margita Drobiazko, a Muscovite married to

a Lithuanian, had to train in Russia.
"There used to be four artificial ice rinks in Lithuania, and now there's only one," Vanagas said, "I don't know if it will have been turned into a warehouse when we get back because that's more profit-

 Carole Merle became France's latest skiing star to be dropped from an Olympic race when she failed to make the downhill squad after a dismal training run.

silver medalist at Albertville and giant slalom world champion, was more than two seconds off the pace in Friday's qualifier. Franck Piccard, France's downhill silver medalist at Albertville,

chammer downhill by a few hundredths of a second in another · Barbecue buffs have been told by organizers to stop grilling sau-

earlier missed his chance at the Lil-

sages over the Olympic flame.
A Games official, Odd Ustad, A Games official, Odd Ustad, said Friday that security had been tightened around the flame, burning at the top of a 20-meter (65font) tower at Olympia Park, after reports of illicit barbecues in the middle of the night.

We heard that two or three young guys grilled sausages on the flame one night," he said. "We're not sure bow they did it. They must have had spears 20 meters long."

· Mongolia's lone compenior. his chef de mission and their country's representative on the Interna-tional Olympic Committee gazed proudly as their flag was raised at the main athletes' village — nearly a week after the opening ceremony.

At a reception afterward, they handed nut commemorative badges, including one depicting Genghis Khan, a national hero whose image in the West is that of a ruthless invader.

(Reuters, WP, LAT, AP, AFP)



Picabo Street of the United States taking a jump Friday in her warmup for the women's downhall competition. She posted the fastest time, at 1:36.50, in the final practice for Saturday's event.

## Alps' Stars in the Shadows

## Swiss and Austrian Skiers Fail to Climb the Podium

RINGEBU, Norway — Anstria and Switzerland, the superpowers of Alpine skiing, are without any medals after three Olympic races. More than burt pride is at stake.

The ski industries of both countries - equipment and ap-parel makers as well as Alpine resorts - rely on Olympic successes by the national teams to promote brand names and tourism. Bad placings have a ripple

While the unheralded U.S. team pocketed two golds and one silver, Austria and Switzerland failed to place any skier among the top three in the men's downhill and super-giant slalom and in the women's super-G.

"We are heading toward com-plete disaster," said a Swiss coach, whose candid assessment of the team would get him in hot water if his name were published In the men's downhill, which was won by the American Tommy Moe, the best Swiss finisher veteran Daniel Mahrer, James 14th. The superstar Franz Heinzer lost a ski at the start and not finish, and Marco Hangl was place by Anna Wachter, only 10th.

Austria, winch holds a record of the world and the world are will rely heavily on the world and the world and the world are world the world and the world are world the world and the world are world are world the world are world are world and the world are world are world and the world are world are world are world are world and the world are world and the world are world are

mymore, Heinzer said.
Misforime just sticks to us,
said his coach, Sepp. Cadaffi. Patrick Ordish, the defending

Austria and Switzerland failed to place any

skier among the top three in the men's downhill . and super-giant sialom.

Olympic champion, missed the bronze for Austria by a few hundredths of a second in the downhill, but the men's team faltered in the super-G, with Gunnar-Mader only minth and Armin As-

Switzerland will depend on the veteran Vreni Schneider, the fa-vente in the women's statom.

Wachier and Thomas Stangas-

the combined and giant slalom titles, is not in peak condition; however. She has just recovered from an ankle injury and is still upon over the death of her team-mate Ulrike Mater last month.

Maier, a two-time world chempion, broke her neck and died during a World Cup downhill in Garmisch-Partenkirchen. Germany, on Jan. 29.

Schneider, 29, had an impres sive series of five World Cup wins before the Olympics but cauboned in a recent interview that

ablont was an error-prome race. Switzerland only got a brunze in the men's combined at the Abenvine counts two years agar when its best siders, such as Heinzer and Paul Accola, made incredible mistakes. (\*\*P. WP)

## Lee-Gartner to Defend Downhill Title

RINGEBU, Norway — Kerrin Lee-Gartner of Canada said Friday that she would defend her Olympic downhill title Saturday, despite still feeling emotional fallout from the death of Ulfi Maier. Maier, an Austrian, was killed in a downhill race at Garmisch-Partenkirchen, Germany, on Jan. 29 when she slammed into a timing post and broke her neck. After her friend's accident, Lee-Gartner left the World Cap tour and returned to Canada.

confident. I'm out of there." On Friday, after her second and final day of training for the women's downline at Kvirtjell, the said she was ready.

"I really feel good about being back on my downbill skis," said Lee-Gartner, 27. She said that she wasn't entirely over the loss of her friend, but that she had put it behind her.

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## SPORTS WINTER OLYMPICS

## Floor Was Open to Questions, but Tonya Wasn't Open to Answers

By Ian Thomsen

LIILLEHAMMER — The U.S. Olympic Committee spokesman began Friday by praising the new American gold medalist, Dan Jansen, for being "the quintessential Olympian: Faster, higher, stronger, and today he is the best in the world."

Tonya Harding sat blinking like a traffic light alongside of the spokesman. He opened the floor to questions for

"Tonya," the first question began, "you've hed to us about your smoking, the FBI said you hed in your statements to them, and you've failed polygraph tests two or three times. Why should we believe anything you say to us

Her face scrunched into a pained, troll-like smile, and she turned to her coach, Diane Rawlinson, who leaned forward and said into the microphone, "I think we're here to talk about Tonya's skating."

This circuit was maintained throughout Harding's first.

wants to win. She really has a lot of respect for Nancy and \_\_\_ "I am very upset and ashamed and I am embarrassed,"

suse Tonya has not been very vocal, has come up with themselves in my position, then how would you feel?" a lot of things on their own."

When Tonya was asked about the death threats against her, her coach shook ber head and said: "We really can't worry about death threats. The Lord has a master plan and if it's meant to be, it will happen."

Finally someone discovered the trend and address

question to the coach. He asked her about Tonya's back-

"You'll have to have Tonya answer that," the coach said. "She doesn't like to have me speaking for her."

The question went unanswered by her auditorium in the Main Press Center was like a cause reporters do not generally have coaches. large school bas on a field trip just far enough away to make everyone punchy. There first had been a press conference given by two Armenian bobsledders from New England, which had been well attended by all of the journalists who wanted a seat for the Tonya Harding press news conference since her family 'n' friends were implicated in the attack on Nancy Kerrigan. When Tonya was asked about Nancy, it was her coach who responded:

"Tonya is very competitive. She wants to compete and she become of Nancy and the Olympic movement.

wants to win. She really has a lot of respect for Nancy and "I am very upset and ashamed and I am embarrassed,"
Tonya said, but unfortunately she was responding to the trouble situation by signing an exclusive interview agreement with an American TV show. (The truth is that the world. "One thing I have to say is if everyone could not the world." by the media, her coach answered, "I think the media, the world, "One thing I have to say is if everyone could put

> To believe everything Tonya said was to believe, basically, that she has no brain.

The question went unanswered by her audience, be-

To believe everything Tonya said was to believe, basically, that she has no brain. She said she does not sense tension between her and Nancy. She confirmed they had had a "brief encounter" here, which she described as "very positive" and "kind of a private thing." She also said. "The media attention has been great," which would be like Kennedy saying that he respected Oswald's opinion. "It's been kind of hun, interesting. I know the media has to do their job, I understand that, and I respect them."

everyone is profiting.)

"Well, I'm not profiting off of a horrible situation," she said. "I have not received any of the money, and when I do it will go toward legal costs, coach's fees and training lessons. I am also talking to my attorneys about setting up a Tonya Harding trust for Special Olympics children in

She answered the questions like she was running for the Miss America title. (In a sports sense, she is.) "I feel every competitor at the Olympic Games is wonderful and I see myself as an equal 10 them," she said, but it was difficult to tell whether she could hear the guffaws belched from the

monies by the USOC, which didn't want her shadow east over the other athletes. Tonya said she only wished she run, but by then the auditorium was filling up with the could share some of her sunshine with them. She said she anticipatory buzz of Tonya's arrival, and no one seemed to wasn't distracted and neither was she worried about the be paying much attention to the Armenians.

gms weenesday, and then she got up and left and was replaced on the stage by Alberto Tomba.

He blubbered: "Tomya, Tomba, Toe-mba,"
In 1992, he was reminded, the hype had all been Tomba,

Tomba. This year in is Tonya, Tonya.

To the reporters he said. "Tonya" is better — for you, yes. Not for this girl, no."

Tomba will try next week to become the first Alpine skier to win gold medals in three consecutive Olympics. More importantly, he was asked Friday to name the best nightclubs in Lillehammer, whether he was still interested romantically in Katarina Witt.

In other news from the auditorium, the Armenian delegation, making its first appearance in the Winter Olympics, said it had been unable to attract sponsors, affect her performances. She said she seems to skate better under pressure. (We'll find out.) Her coach revealed that Tonya had been asked to arrive after the Cartinature of the coach revealed that the coach revealed the coach revealed that the coach revealed that the coach revealed the coach revealed the coach revealed that the coach revealed the coach reveale given the more important needs of the Armenian populafew days because he has to walk back up the hill after each

## GOLD: Jansen Wins His Medal

Continued from Page 1

official handed him a cellular phone and said, "It's the president

"Our president?" Jansen said, shock registering on his face anew.

A couple of "O.K.s" later, Jansen kept the phone pressed to one ear and sheepishly told a hushed roomful of reporters: "I'm on

Even as happy endings go, this was perfect: A sweet kid from the Heartland who did everything the right and honorable way, absorbed numbing setbacks stretching back years and still triumphed at long last against the sort of odds that make even the president of the United States reach for the phone. "He said he can't express how much the country was pulling for me," Jansen said, his voice catching

The man was

y ware a z

- - - T.

37.7.4

Friday was Jansen's last career chance at an Olympic medal, and he wasn't even a cinch to make the top three in this event, let alone trun the world record by sevenhundredths of a second.

The 500-meter race was his world-record distance. But he came dangerously close to falling Monfirst turn that m

down by a rope. A few days later, Jansen fell again in the 1,000-meter event. By the time he toed the starting line on Friday, almost everyone knew his star-crossed story. That was one reason Jansen's victory pulled all the audience to its feet and made everyone at Hamar's Olympic Hall forget national alle-

Someone from the speed-skatine-mad Netherlands threw Jansen a Dutch flag like a Spaniard might toss bull's ears to a matador. Some one else threw an American flag to the ice. Soon came a bouquet of yellow lilies, a stuffed animal, a shower of more flowers, and most comic of all - one of those large, yellow, foam-rubber wedges of cheese that sports fans in Jansen's home state of Wisconsin wear as hats at athletic events.

Jansen picked it all up and laughed as he briefly tried on the "Finally I feel like I've made

people happy instead of having to feel sorry for me," Jansen said. Igor Zhelezovsky of Belarus, who skated first, was the favorite. Kevin Scott of Canada, the world

record holder at 1:12.54, was also in the race. Even the man Jansen was paired with in the fourth heat. Junichi Inone of Japan, was amon the seven men in this race who had a better personal best than Jansen's

But the past - all of it - fell

Jansen won in 1:12.43, Zhele-zovsky took the silver in 1:12.72, and Sergei Klevchenya of Russia captured the bronze in 1:12.85. When Jansen's time flashed on the scoreboard and he had leap-trogged both men into first, TV coverage switched to his wife and his mother at the other end of the rink who were hugging and scream-ing and bobbing in place in a happy embrace. Later, Jansen's wife Robin giddily said she had been so overcome with emotion right then, I nearly collapsed." She was taken to the emergency medical techni-cians, where she was pronounced

"I thought, this would be my last Olympic race ever no matter what happened, I wanted to win because Twe had so many world records, world championships and World Cup victories. This was the only

died of lenkemia the morning of the of speed going by then, he knew, 500 and Jansen spon out in the very and though he hadn't heard his last. "something was up" from the roar of the crowd. He held on, made it to the finish somebow. And then?

> Before long President Bill Chinton was on the line telling Jansen he couldn't wait to watch it tonight on American TV, and Hillary Rod-ham Clinton called from an aircraft somewhere over South Dakota, saying she'd been on "pins and needles" waiting for the result.

> The crowd in Hamar had serenaded him sweetly, and on the medal podium a million images blurred through his mind. It was his racing life rushing before his eyes: the lung-scaring work, the ups and downs; the three medalbereft Olympics before this, and the face of his dearly missed sister, Jane, the namesake of the firstborn child he now hugged in his

"When I go through hard times I think of her a quite bit and it's not a sad feeling anymore. That's gone,"
Jamen said. "It's just a feeling that she's still with me."

So that little salute he gave to-ward the heavens when "The Star-Spangled Banner" was through? "To Jane," Dan Jansen said.



my story, I had the support of so

Removed Rem

# would be the memory Jansen took away from these Games—another sad story to go along with his sub-par performance at the 1992 Almost story to go along with his sub-par performance at the 1992 Almost story to go along with his sub-par performance at the 1992 Almost story to go along with his sub-par performance at the 1992 Almost story to go along with his sub-par performance at the 1992 Almost story to go along with his sub-par performance at the 1992 Almost story to go along with his sub-par performance at the 1992 Almost story to go along with his sub-par performance at the 1992 Almost story to go along with his sub-par performance at the 1992 Almost story to go along with his sub-par performance at the 1992 Almost story to go along with his sub-par performance at the 1992 Almost story to go along with his sub-par performance at the 1992 Almost story to go along with his sub-par performance at the 1992 Almost story to go along with his sub-par performance at the 1992 Almost story to go along with his sub-par performance at the 1992 Almost story to go along with his sub-par performance at the 1992 Almost story to go along with his sub-par performance at the 1992 Almost story to go along with his sub-par performance at the 1992 Almost story to go along with his sub-par performance at the 1992 Almost story to go along with his sub-par performance at the 1992 Almost story to go along with his sub-par performance at the 1992 Almost story to go along with his sub-par performance at the 1992 Almost story to go along with his sub-par performance at the 1992 Almost story to go along with his sub-par performance at the 1992 Almost story to go along with his sub-par performance at the 1992 Almost story to go along with his sub-part story

when she is warming up. She smiles when she is clap their hands after her every move. Nancy Kerrigan was even smiling when her

old friend Tonya Harding went down in a pile against the boards as if she had

been fore-

Point

checked by Bob Probert or Tie Domi or the big bopper from the Portland Kneewhackers, Shane Stant him-self. But there was nobody in sight, just some invisible poltergeist maybe trying to even things up for the ugly event in the nationals in Detroit.

That did not necessarily mean Kerrigan was smiling at Harding's misfortune. She just smiles all the time, like a baby with gas. Who knew all this waiting was such giddy fun? But Kerngan seems determined to have a grand old time here at the Winter Games, as if practice were an endless commercial shoot. And probably it is.

Kerrigan did her best not to notice the presence of her pal Thursday on the six-week anniversary of Kerrigan's being whacked on the knee by a thug hired by Harding's former husband. It was hard not to notice Harding flitting back and forth on the ice during the two practice sessions that were open to six skaters at a time.

Harding seemed much less inhibited than Kerrigan about where she could go. There was something primal about the way Harding staked. out every corner of the rink, but wherever Kerngan's averted gaze went, her face was curled up in a giant "aren't-we-having-fun?" smile.

Now, anybody who has ever run a race Thursday, nine time zones out of kilter.

knows the rush of positive energy that comes But Tonya is on record that she does not skaters learn to smile in public after some judge has stuck it to them, when the logical thing would be to shake a fist and talk trash.

It is also true that skaters most display neat warm-up costumes and makeup and happy smiles during practice because the judges are making mental notes about who's got it and who doesn't. Karrigan's support system — her coaches, Evy and Mary Scotvold, two of the

Figure skaters learn to smile in public after some judge has stuck it to

most positive and experienced people in the business — are doing the right thing by smiling

and clapping like some hired opera claque.

It's part of the game.

But smiling could become a chore for Nancy
Kerrigan. Tonya's here. Tonya's not going
away. Time is on Tonya's side. Tonya is a survivor. Tonya has survived her chaotic family survivor. A carya has survived her chaone ramity life, and she has survived the legal skirmishes when the U.S. Olympic Committee ried to haul her in for questioning about her role in the celebrated knee-whacking.

Harding even survived her long haul from Portland, performing the difficult Portland-Se-

attle-Copenhagen-Oslo triple axel, and after one night in Europe she went out to practice believe in jet lag. Her life seems unclustered by

She never seemed to notice the hundreds of reporters and photographers milling about the tiny practice rink. Tonya knows what she needs. She needs a nasal inhalator for her asthma. She needs a smoke and a cold brew. And she needs to make some money. She doesn't smile much. Life's too hard.

Tonya was definitely not smiling at the end of her afternoon workout, when she tried a triple axel at the end of her short practice and wound up sprawled on the ice. She skated onelegged for a while, displaying no Kerriganesque smiles, and she even made a few jumps at the end of practice.

The trainer scooped up a bucketful of snow from the endless supply just outside the door, to be applied to her "chronically sore ankle." Tonya was limping when she left the building. She will be back. She's not going away certainly not easily.

That leaves Nancy Kerrigan with a smile. Kerrigan did nothing to deserve being whacked in the knee on Jan. 6 — nothing except be in Tonya Harding's way, at least in the twisted reasoning of the four louts who plotted and committed the attack.

Harding insists she had nothing to do with the plot, and she may never be charged with anything. It may not be fair to make Kerrigan work out in the same sextet with her competitor who has links to the goons who whacked Nancy Kerrigan, but life is not fair.

Tonya is in Norway. Tonya's at the Winter And Nancy Kerrigan is smiling.

## Russians Lead In Ice Dancing

HAMAR - Britain's 1984 Olympie champions, Jayne Torvill and Christopher Dean, were relegated to third place as Russia's ice dancing power prevailed on Friday.

Maya Usova and Alexander Zhulin, the world champions, were deadlocked after splitting victories in the first two compulsory dances with Oksana Gritschuk and Yevgeni Platov, who have emerged as the big threat to the Britons. They each have 0.6 points.

Torvill and Dean, the perfectionists of ice dancing a decade ago, were judged to have lost some of their excellence and were third in both dances, the Starlight waitz and the Blues. They have 1.2 points.

The couple, who earned nine perfect scores of 6.0 for their Bolero" in 1984, and who won the European title last month, now face an uphill battle for the gold medal.

The compulsories — skated to the Starlight waltz and the Blues - count for 20 percent of the total score. Medal competition in ice dancing is spread over three nights, with original dance on Sunday and free dance on Monday.

But even if they do take the original dance, they would not be certain of overall victory.

win the free dance final as they did in Copenhagen last month, they will be the new champions. Usova and Zhulin narrowty won the opening Starlight waltz, but Grischuk and Platov

The Britons' coaches, Bobby Thompson and Betty Calloway,

were conclusive winners of the

remained optimistic. "It will depend on the free and we hope we have a winning free dance," Calloway said.

Torvill and Dean have revamped their "Let's Face the Music and Dance" free routine hy 80 percent since Copenha-gen following their defeat in that section by Gritschuk and

The overall decision in Denmark was close and required a computer to establish that the Britons were narrow winners. Thompson said he felt Torvill and Dean were probably a little

disappointed with their scores on Friday. "It's not what they said, it's what they didn't say," he said.

"They didn't say anything." Calloway said she felt a little disappointed with the Britons marks, especially for the first looked beautiful but the scores were only 5.5s and 5.6s.

(Reuters, AP)



Oksana Gritschuk and Yevgeni Platov tied for first on Friday.

## Norway Hopes Eagle Lands Gold

LILLEHAMMER - They dubbed him "Espen the Eagle" in

Albertville two years ago.

This weekend in Lillehammer, the Eagle will probably land Norway yet another Olyapic gold.

When the ski jumping he-men of the Winter Games hard themselves down the Olyapic high hill on Sunday, Espen Bredesen will be

the clear favorite. But in France two years ago, there were only two jumpers behind him on the high hill and none at all on the normal hill. Comparisons with Eddie "The Eagle" Edwards, Britain's hapless ski jumper from Calgary in 1988, were inevitable.

But the problem in Albertville was not just Bredesen's. It afflicted. the whole Norwegian imming team.

The ski-jumping world was being revolutionized by the new V style, in which jumpers spread their ski-tips after takeoff rather than keeping them parallel.

Conservative Norwegian coaches held out against the style, judging that their men could live without it. Then, just 10 days before the

Games began, they changed their minds.

"I don't think about Albertville any more," an older and wiser Bredesen says. In fact, given time to practice. Bredesen numed out to be a natural

V-style jumper.

Within a month he had a top-10 finish in a World Cup event. A year later, in Falun, Sweden, he had become world high hill (120) meters, 390 feet) champion.
With 1992 wonder boy Toni Nieminen out of the picture — the

Finn could not cope with the pressure of winning two Olympic golds at the age of 16 — Bredesen's main competition comes from at the age of 16 — Bredesen's man compension comes from Germany, Austria and Japan.

In training sessions at the Lysgaardsbakkene arena, where half the world watched a ski jumper deliver the Olympic touch to the Games' opening ceremony lest week, the Norwegian's most consistent challenger has been Germany's Jens Wessellog.

A 29-year-old veteran who won Olympic gold on the 79-meter hill and story on the big hill in Sarajevo in 1984, Weisallog has not won and otherwise metals story.



RUDOLPH WAS THE WINNER - Norwegian Sami athletes competing Friday in a traditional reindeer race at Oyer/Hafjell, won by a reindeeer named Rudolph.

#### Panel Hearing Harding's Case To Call Gillooly

The Associated Press

PORTLAND, Oregon -The U.S. Figure Skating Association has asked Jeff Gillooly to testify at Tonya Harding's disciplinary bearing March 9 in Colorado.

Gillooly previously pleaded guilty in a charge of racketeering in connection with the attack last month on Harding's Olympic rival, figure skater Nancy Kerrigan, and is free pending sentencing.

Gillooly's attorney, Ron Hoevet, has filed a motion in county court asking that his client be allowed to attend the bearing. The court will consider the motion Tuesday.

The association's hearing will determine whether Harding should be stripped of membership in the organization because of the assault, Kerrigan was clubbed in the leg after a practice session Jan. 6 to try to keep her from competing in the Olympics.

Gillooly, Harding's ex-husband, has charged that she was involved in the plot to attack Kerrigan, and a county grand jury is considering whether criminal charges should be filed against Harding.

#### **DAVE BARRY**

## Win a Valuable Prize

people with practical, real-life answers to their tax questions, as opposed to the complex and vague 'advice" we so often see in columns written by the kind of goody-two-shoes money geeks who actually save their receipts and record their mileage and file their tax returns on Jan. 2. [7] give you an example of what I mean

OUESTION: "How much can I deduct for a business office in my

COMPLEX, VAGUE MONEY-GEEK ANSWER; "Calculate the size of the office as a percentage of the total living area, then use this figure to compute the pro rata costs of utilities, mortgage interest, taxes and insurance.

PRACTICAL, DOWN-TO-EARTH ANSWER: "\$6,532.87." That's what we taxpayers want: concrete information. We don't want: "Total your amortized capital depreciation as specified in Schedule C, section 873, subsection VII, verses xii and xiii." We want: "Put down that you lost \$3,832.24 operating a perch farm."

Perhaps you think I am suggest-ing something dangerous here. Per-haps you do not believe that the Internal Reveoue Service (Motto: "We'll Answer the Taxpayer Assis-tance Hot Line When You Pry the Coffee Cup From Our Cold, Dead Fingers") would allow you to take anything so ridiculous as a perch-

Listeo: You can deduct anything. People have deducted used underwear. And when I say "peo-ple," I of course mean "Bill Clinton." According to news reports, io past years President Clinton deducted as much as \$2 per pair for used underwear that he donated to the Salvatioo Army. I applaud Mr. Clinton's generosity, although 1 am troubled somewhat by the idea of any guy voluntarily giving up his underwear. Whoever says that guys are unwilling to make lifetime commitments clearly has not examined the intimate hand that can develop between a guy and his briefs.

M IAMI — Today I am announcing the first-ever Amaneur Tax Tips Cootest, featuring an anybody. I estimate that, for tax exciting prize as well as an opportu-nity for some lucky winners to serve are worth \$2,473.02. Notice that I lengthy terms in federal prison.

The purpose of the Amateur Tax
Trips Contest is to provide normal
people with practical, real-life an-THING UP. The Internal Revenue Service goes over tax returns with dogs that are specially trained to bark angrily when they find round numbers. If you HAVE to use a round oumber for some bizarre reason, such as that it is actually true, you should put a little note in the margin that says, "This oumber is actually true."

ALWAYS "DOUBLE-CHECK" ALL FIGURES. I say this in light of a 1993 Washington Post article concerning a Centreville, Virginia, man who received a bill from the IRS for - I am not making this up - \$68 billion. A lot of careless taxpayers would have simply paid this bill, but this man had the presence of mind to questioo it, and as a result he will be eligible for parole in just 224 years.

No. seriously, be got it straight-ened out. The Post article doesn't say exactly how; my guess is that he will be allowed to make two easy payments of \$34 billion. This just goes to show that ordinary taxpayers CAN "beat the system." And you can help them, by sending in YOUR tip to our Amateur Tax Tips Contest. Send in anything that you think might be helpful to other taxpayers, including a photograph of the IRS commissioner naked.

The only restriction is that whatever you send MUST BE ON A POSTCARD. Send your card to: Amateur Tax Tips, c/o The Washington Post Magazine, 1150 15th St. NW, Washington, D.C. 20071. I'll report the best tips just before April 15. The people who suggest them will receive a handsome mention of their games in this column. as well as a chance to be audited for life. The persoo who suggests the best tip will receive, at tremendous personal tax-deductible sacrifice to me, a historic literary object that has been valued, in priot, at \$2,473.02. I may even wash them

Knight-Ridder Newspapers

## A Nostalgic View of Paris Between Wars

PARIS — "All the brasseries had bands. We sang, we played, we listened to the music. It was grand." "In the Place de la Bastille there were strongmen and sword swallowers and fire-eaters. There was also a swallower of frogs, up to 40 of them, who would spit them out

#### MARY BLUME

again. The extraordinary thing was that they were all alive. Dead, they would have lacked charm."

"A cloth cap didn't brand you as working class. Office employees were them, too. I remember one of our neighhors was an electrician. They were the nobility of the working class. He wore a soft hat."

"The slang and the sound of the accordion — that was

Memories of Paris between the wars: rosy for the most part but very real to the 1,078 Parisians who answered the call of Mayor Jacques Chirac for mementoes, snapshots and recollections of their youth. The result — some from Parisians expatriated as far as Denmark, Portugal and the United States — is oo view in the exhibition "La Mémoire de Paris 1919-1939" at the Hôtel de Ville until April 30.

Most of the participants come from simple backgrounds. The show is less to enlighten those who did not know the period than to provide a trip down memory lane for those who did. Visitors are mostly elderly people exchanging memories and recalling for each other such objects as schoolbooks, wooden hutter curiers stained dark with use, Sergent Major pen nibs and a newspaper headline about an airplane landing on a Paris rooftop in January 1919 ("I was 8 years old," an elderly lady re-marked to no one in particular).

The exhibition is as crowded as a blockbuster art show, but visitors do not jostle and show a courtesy to each other that signifies, as much as the snapshots and oral memories, how much Paris has changed.

The memories collected in the catalogue recall street ooises such as the tramway, horses' booves, the sabots of Auvergnats dancing on Rue de Lappe, the cries of ragpickers, knife grinders and the viviers who replaced broken window panes (the r's in vitrier were unsounded, one old Parisian says).

Among the long-gone sights are lamplighters, the goatherd selling cheese on the street, cobblestones in the rain. munal laundries bathed in steam, the black dust rising to the kitchen ceiling after the coal man had come. It is all like a Carne film reshot by Capra.

Since the subject, given the participants' age, is childbood memories, there is almost oothing about politics, even about the Feb. 6, 1934, rightist riots in which 15 died and 1,435 were injured. The Front Populaire of 1936 is seen in terms of its effect on family life, One woman went out and bought her first gigot. "This is the result of the Front Populaire," she told the butcher.

Women remember silver fox furs and Tokalon face cream, men that they held their socks up with garters and wore straw hats after Easter, Proprieties were observed: A man might shave in front of his son but never clean his teeth, and only the rich were robbed. "The thieves were professionals. No one would rob the apartment of modest

The sense of neighborhood was very strong, "One didn't leave one's quarter. I knew concierges who had never seen



"La Mémoire de Paris 1919-1939" brings back the sights and sounds of Paris between World Wars I and IL.

the Opera building." Neighbors were important: They gave job references and testified to the applicant's moral-

The now-defunct Belle Jardinière department store at the Pont Neuf had a separate entrance for the clergy: "They climbed a stairway and entered a door shaped like a Gothic arch so that they lelt at home." Low-ranking department store employees were addressed by number, such as K486, and were allowed oeither to sit down at work nor to take the elevator unless accompanied by a

Pleasures were simple, traffic jams rare. In the Place de l'Opéra there was a traffic cop on a hosse, "When he rurned his horse towards the Madeleine, the cars went in that direction. When he was perpendicular they took the Avenue de l'Opèra." The most celebrated cop stood at the Porte Saint-Martin and was said to be the only one in Paris allowed to wear a beard. A snapshot of him, beard carefully parted to show off his medals, is in the show. Children played with hoops and tops and were inspect-

ed in school to see if their feet were clean. They wore dunce caps, had their knuckles rapped and were dosed with cod liver oil. In public hospitals their tonsils were

removed without anesthetic and waiting children heard

their screams and saw their blood.

Ice cream cones in the Parc Monceau were a rich yellow color and tasted of real vanilla. Landlords could evict without a court order, concierges collected rents, pulled the cordon to let tenants in at night ("La porte, s'il vous. plate") and lived from tips and bribes. There were public executions, people in the Métro smelled awful, there were

bals musettes everywhere, and a yo-yo craze in 1934. There were veterans of World War I on little wheeled platforms and in 1937 there was a World's Fair with payilions decorated with the swastika and with the hammer and sickle. When World War II began, one woman remembers that she wept for days. "Did I sense that it was the end of a certain way of life? I wasn't wrong."

Talleyrand said that those who had not lived before the

French Revolution could never know how sweet life was. In the 1920s and '30s parents looked back to the days before 1914. Says one of the witnesses in the current show, 'Anyone who didn't know Paris between '25 and '35 didn't know Paris: the elegance, the security, the courtesy of strangers." Each in his own way and time was probably

#### PEOPLE

#### Glenn Close Upstages LaPone for N.Y. Role

Glenn Close is taking "Sunset Boolcvard" to Broadway. She will replace Patti LuPone as the fading movie queen Norma Desmond when the Andrew Lloyd Webber musical opens this fall in New York. LaPone currently stars in the London production, but investors lost confidence in her after critics' assertions that Close was better. Close has been playing the role in Los Angeles. A spokesman for LuPone said she is devastated and hasn't performed since she got the news...

A kiss is just a kiss, as far as "Roseanne" is concerned, 30, after much discussion, ABC says it will show an episode of the sitcom on March I that features Rosesane Arnold kissing Mariel Hemineway

How does a relative of George Washington, eight generations re-moved, plan to mark the first U.S. moved, plan to mark the first U.S. president's birthday Tuesday? Stephen Washington, 29, a law student at Yeshiva University, said: "I certainly don't chop down cherry trees, though if I were not in New York, I might do some yardwork. But I have too much work to do, so I will hole up in the library."

Gene Kelly's birthday card to Merce Cumingham shows an um-brella dripping rain and William Wegman's features a few dogs. Gianani Versace and Giorgio Ar-mani depicted fashion designs what else? —on their cards wishing Cunningham, the modern-dance pioneer, a happy birthday. But Cunningham, who turns 75 on April 16, won't get to keep those collector's items or the ones done by more than 70 other celebrities. The cards will be auctioned on Tuesday to benefit the Cunningham Dance Foundation. -

Yoko One has donated \$4,000 to the Family Violence Center in Springfield, Missouri. The widow of John Lennon matched the amount of money raised by last year's annual "Imagine" concert at which local bands play Lennon songs to benefit local charities.

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North America

## **POSTCARD**

## In Berlin, Even the Gardeners Are Restless and Defiant

By Stephen Kinzer New York Times Service

B ERLIN — This bustling metropolis has more than enough challenges to keep its politicians occupied. Giant construction projects are under way, the government plans to

move here from Bonn, and Eastern Europe's But for hundreds of thousands of Berlin resi dents, these challenges pale in comparison with threats to their beloved gardens. They warn that if established political parties do not listen to

them, they will form a new one of their own. No one is taking these warnings lightly. "What the farmers are to France," a local newspaper said recently. "the small gardeners are to Berlin."

Taken individually, the gardeners hardly seem like revolutionaries. They are quintessential good citizens like Hannelore Schmidt, who tends her fruit trees, herb gardens and vegetable patches every day, even in the winter.

This garden is the center of my life," Schmidt said as she proudly pointed out two tiny daisies that had managed to sprout through the near-frozen earth. "I have a close feeling for God, and I think this is it."

in most parts of Germany, people like Schmidt are pillars of local life, quaint symbols of self-sufficiency and the nation's mythic roots in agriculture. But Schmidt has suddenly found herself cast as a public villain. The reason is that her garden lies in the heart of downtown Berlin, just two blocks from the ghitering Kür-

While Berlin was a divided city, lavish subsidies from Boun kept the standard of living here artificially high and allowed the indulgence of many idiosyncracies. Now those subsidies are

As the city looks for new sources of income, some officials are casting their eyes longingly on the large plots of city-owned land in chic central boroughs like Wilmersdorf that have for years been leased to gardeners.

"We can't hang on to all of our old Berlin traditions," Wolfgang Nagel, the city's minister of construction, said in a widely publicized magazine interview. "It doesn't make sense that the best sites in the inner city, like in Wilmersdorf, are being occupied by gardeners who pay only a few marks a year to use them. Why can't the city use that land to develop business and housing projects?"

COUNTRY

More than 80,000 families have garden plots, and another 16,000 are on waiting lists. Wary of the gardeners' political muscle, many of Nagel's own colleagues at city hall, including Mayor Fberhard Diepgen, have condemned his posi-

A long-term city plan calls for closing some Berlin grows, pressure to close others is certain to increase. Leased gardens here now cover more than 8,800 acres (3,520 hectares), 4 percent of the city's surface area. Much of this is land left undeveloped after the rubble of World War II was cleared:

A manber of the City Council who wants to close many of Berlin's gardens, Wolfgang Mleczkowski, has calculated that closing half of them would lead to \$650 million in real estate development, generating thousands of jobs and hundreds of millions of dollars in tax revenue.

"You have to ask yourself if you want to live in village or in a big city," Micczkowski said. "I personally like being in a city. But a lot of people who came here over the last 40 years didn't come here to be in a city. They came here to escape the draft or pay lower taxes or just to flip out. Their heart is still back in the small town."







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